PRELIMINARY OFFICIAL STATEMENT

DATED JULY 5, 2022

NEW ISSUE **RATING**
Electronic Bidding via Parity® ***Moody's: " "***
Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM

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

$1,740,000*
DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SECOND SERIES OF 2022

Dated with Delivery: AUGUST 3, 2022 **Due: as shown below**

Interest on the Bonds is payable each February 1 and August 1, beginning February 1, 2023. The Bonds will mature as to principal on August 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 1-Aug	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Aug	Amount*	Interest Rate	Reoffering Yield	CUSIP
2023	$25,000	%	%		2033	$105,000	%	%	
2024	$30,000	%	%		2034	$110,000	%	%	
2025	$25,000	%	%		2035	$115,000	%	%	
2026	$5,000	%	%		2036	$120,000	%	%	
2027	$30,000	%	%		2037	$125,000	%	%	
2028	$25,000	%	%		2038	$130,000	%	%	
2029	$30,000	%	%		2039	$135,000	%	%	
2030	$90,000	%	%		2040	$140,000	%	%	
2031	$95,000	%	%		2041	$150,000	%	%	
2032	$100,000	%	%		2042	$155,000	%	%	

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 Dawson Springs 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 Dawson Springs Independent Board of Education.

The Dawson Springs (Kentucky) Independent School District Finance Corporation will until July 13, 2022, at 11:00 A.M., E.D.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed $175,000.**

PURCHASER'S OPTION: The Purchaser of the Bonds, within 24 hours of the sale, may specify to the Municipal 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

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.

DAWSON SPRINGS INDEPENDENT, KENTUCKY
BOARD OF EDUCATION

Vicky Allen, Chairperson
Trace Overby, Vice-Chair
Wes Ausenbaugh, Member
Kent Dillingham, Member
Carol Niswonger, Member

Leonard Whalen, Superintendent
Amanda Almon, Secretary

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION

Vicky Allen, President
Trace Overby, Vice-President
Wes Ausenbaugh, Member
Kent Dillingham, Member
Carol Niswonger, Member

Amanda Almon, Secretary/Treasurer

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

MUNICIPAL 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 Dawson Springs Independent School District Finance Corporation School Building Revenue Bonds, Second 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

$1,740,000*

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SECOND 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 Dawson Springs Independent School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Second Series of 2022 (the "Bonds").

The Bonds are being issued to finance HVAC renovations to Dawson Springs High 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 Dawson Springs 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 Dawson Springs 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 August 3, 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 $5,394 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, 2024; 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, 2024. Inter alia, the Budget provides $125,216,700 in FY 2022-23 and $126,719,600 in FY 2023-2024 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. It authorizes $85,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

The 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020 and 2022. 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
2020-22	2,946,900
2022-24	5,305,300
Total	$189,166,500

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, 2024

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.

The General Assembly adopted a budget for the biennial period ending June 30, 2024 which was approved and signed recently by the Governor. Such budget became effective July 1, 2022.

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
2014-REF	$2,750,000	$1,475,000	$2,442,638	$307,362	3.000% - 3.250%	2029
2015-REF	$1,440,000	$715,000	$0	$1,440,000	2.000%	2026
2022	$300,000	$300,000	$90,749	$209,251	2.000% - 3.000%	2042
TOTALS:	$4,490,000	$2,490,000	$2,533,387	$1,956,613		

AUTHORITY

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

i) the issuance of approximately $1,740,000 of Bonds subject to a permitted adjustment of $175,000;

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 August 3, 2022, will bear interest from that date as described herein, payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2023, and will mature as to principal on August 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 February 1 and August 1 of each year, beginning February 1, 2023 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after August 1, 2031, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after August 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
August 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 August 3, 2022, through June 30, 2023 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 August 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.

Recent Tornado

Recent tornadoes caused substantial damage to Southwestern Kentucky including the community of Dawson Springs. School facilities were not damaged and the Board of Education does not anticipate any impact on the ability to make payments under the Lease.

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 approximate four percent (4%) 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, 2024. 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 through August 1, 2042, 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 HVAC renovations Dawson Springs High 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. The plan of financing provides for the Board to pay approximately 76% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	----- Series 2022B School Building Revenue Bonds -----					Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	SFCC Portion	Local Portion	
2023	$195,635		$32,512	$32,512	$1,348	$31,164	$226,798
2024	$191,520	$25,000	$65,424	$90,424	$5,394	$85,030	$276,549
2025	$186,813	$30,000	$64,658	$94,658	$5,393	$89,264	$276,077
2026	$189,943	$25,000	$63,854	$88,854	$5,394	$83,460	$273,403
2027	$217,141	$5,000	$63,410	$68,410	$5,393	$63,017	$280,158
2028	$185,451	$30,000	$62,878	$92,878	$5,393	$87,484	$272,935
2029	$192,149	$25,000	$62,026	$87,026	$5,393	$81,633	$273,782
2030	$185,477	$30,000	$61,145	$91,145	$5,394	$85,751	$271,228
2031	$9,117	$90,000	$59,038	$149,038	$5,393	$143,644	$152,761
2032	$8,351	$95,000	$55,684	$150,684	$5,394	$145,290	$153,641
2033	$8,076	$100,000	$52,125	$152,125	$5,394	$146,731	$154,808
2034	$7,706	$105,000	$48,384	$153,384	$5,394	$147,990	$155,696
2035	$5,891	$110,000	$44,433	$154,433	$5,393	$149,039	$154,930
2036	$4,379	$115,000	$40,241	$155,241	$5,393	$149,848	$154,227
2037	$2,142	$120,000	$35,805	$155,805	$5,393	$150,412	$152,554
2038	$3,435	$125,000	$31,119	$156,119	$5,393	$150,726	$154,161
2039	$1,992	$130,000	$26,145	$156,145	$5,394	$150,751	$152,743
2040	$2,551	$135,000	$20,911	$155,911	$5,393	$150,518	$153,069
2041	$4,408	$140,000	$15,375	$155,375	$5,394	$149,981	$154,389
2042	$2,452	$150,000	$9,430	$159,430	$5,394	$154,036	$156,488
2043		$155,000	$3,178	$158,178	$4,045	$154,132	$154,132
TOTALS:	$1,604,628	$1,740,000	$917,772	$2,657,772	$107,871	$2,549,902	$4,154,530

Notes: Numbers are Rounded to the nearest $1.00.

ESTIMATED USE OF BOND PROCEEDS

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

Sources:	
Par Amount of Bonds	$1,740,000.00
Total Sources	$1,740,000.00
Uses:	
Deposit to Construction Fund	$1,675,950.00
Underwriter's Discount (2%)	34,800.00
Cost of Issuance	29,250.00
Total Uses	$1,740,000.00

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	647.0	2011-12	622.6
2001-02	646.8	2012-13	617.4
2002-03	625.0	2013-14	572.6
2003-04	615.2	2014-15	598.4
2004-05	620.4	2015-16	585.0
2005-06	605.5	2016-17	619.6
2006-07	588.9	2017-18	605.1
2007-08	619.9	2018-19	574.5
2008-09	609.3	2019-20	542.1
2009-10	604.7	2020-21	542.1
2010-11	637.4	2021-22	564.5

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 Dawson Springs Independent School District for certain preceding school years.

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	64,700.0	2011-12	62,260.6
2001-02	64,680.0	2012-13	61,743.6
2002-03	62,500.0	2013-14	57,261.8
2003-04	61,520.0	2014-15	59,843.4
2004-05	62,040.0	2015-16	58,500.0
2005-06	60,550.0	2016-17	61,960.0
2006-07	58,890.0	2017-18	60,510.0
2007-08	61,990.0	2018-19	57,449.7
2008-09	60,932.0	2019-20	54,210.0
2009-10	60,472.8	2020-21	54,209.7
2010-11	63,742.9	2021-22	56,446.2

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	77	59,624,313	459,107
2001-02	80.4	57,902,631	465,537
2002-03	77.9	60,277,089	469,559
2003-04	77.9	58,832,494	458,305
2004-05	80	65,357,092	522,857
2005-06	79.1	65,551,454	518,512
2006-07	78.3	66,380,292	519,758
2007-08	79.1	65,014,842	514,267
2008-09	74.6	63,768,544	475,713
2009-10	74.6	68,184,082	508,653
2010-11	83.2	67,638,887	562,756
2011-12	75.8	68,679,188	520,588
2012-13	77	68,109,879	524,446
2013-14	83.1	68,327,625	567,803
2014-15	82.9	69,082,661	572,695
2015-16	87.6	68,884,955	603,432
2016-17	83.1	69,654,473	578,829
2017-18	83.1	73,560,828	611,290
2018-19	87.8	73,293,064	643,513
2019-20	83.5	75,374,760	629,379
2020-21	92.6	75,319,985	697,463
2021-22	91.3	83,588,587	763,164

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Dawson Springs 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 Hopkins			
General Obligation	495,000	230,732	264,268
Judicial Facility Revenue	25,268,288	10,145,000	15,123,288
City of Dawson Springs			
General Obligation	184,000	18,000	166,000
Water Revenue	460,000	82,000	378,000
Improvement Project Revenue	533,000	78,000	455,000
Refunding Revenue	970,000	435,000	535,000
City of Earlington			
Water & Sewer Revenue	834,000	234,100	599,900
Improvement Project Revenue	184,000	21,000	163,000
City of Hanson			
General Obligation	430,000	270,000	160,000
Improvement Project Revenue	334,000	29,500	304,500

City of Madisonville			
General Obligation	1,866,063	1,113,313	752,750
Multiple Purposes Revenue	25,780,000	17,275,500	8,504,500
Refinancing Revenue	9,810,000	4,005,000	5,805,000
Vehicles Revenue	3,056,420	0	3,056,420
City of Mortons Gap			
General Obligation	385,000	27,500	357,500
Water & Sewer Revenue	1,138,000	418,000	720,000
City of Nortonville			
Water & Sewer Revenue	1,677,000	235,000	1,442,000
Refinancing Revenue	2,990,000	492,917	2,497,083
City of White Plains			
General Obligation	370,000	134,617	235,383
Gas Revenue	467,000	144,000	323,000
Special Districts			
Nebo Water District	1,061,000	587,500	473,500
North Hopkins Water District	2,100,000	780,000	1,320,000
South Hopkins Water District	1,557,000	1,035,200	521,800
Totals:	81,949,771	37,791,879	44,157,892

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.

	Base Funding	Local Tax Effort	Total State & Local Funding
2021-22 SEEK	3,200,644	763,164	3,963,808
2020-21 SEEK	2,961,088	697,463	3,658,551
2019-20 SEEK	3,173,388	629,379	3,802,767
2018-19 SEEK	3,371,745	643,513	4,015,258
2017-18 SEEK	3,491,886	611,290	4,103,176
2016-17 SEEK	3,566,923	578,829	4,145,752
2015-16 SEEK	3,330,575	603,432	3,934,007
2014-15 SEEK	3,321,636	572,695	3,894,331
2013-14 SEEK	3,110,413	567,803	3,678,216
2012-13 SEEK	3,443,845	524,446	3,968,291
2011-12 SEEK	3,453,003	520,588	3,973,591
2010-11 SEEK	3,252,844	562,756	3,815,600
2009-10 SEEK	3,113,087	508,653	3,621,740
2008-09 SEEK	3,466,744	475,713	3,942,457
2007-08 SEEK	3,563,178	514,267	4,050,445
2006-07 SEEK	3,004,567	519,758	3,524,325
2005-06 SEEK	3,072,633	518,512	3,591,145
2004-05 SEEK	2,951,301	522,857	3,474,158
2003-04 SEEK	2,837,228	458,305	3,295,533
2002-03 SEEK	2,731,941	469,559	3,201,500
2001-02 SEEK	2,684,066	465,537	3,149,603
2000-01 SEEK	2,572,545	459,107	3,031,652

(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 $0.9130 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, Dawson Springs Independent Board of Education, 118 E. Arcadia Avenue, Dawson Springs, KY 42408, Telephone (270) 797-3811.

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, 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.

MUNICIPAL ADVISOR

Prospective bidders are advised that RSA Advisors, LLC ("RSA") has been employed as Municipal 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 Dawson Springs 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 Dawson Springs Independent Board of Education or the Municipal 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 Dawson Springs 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 Municipal 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

Dawson Springs Independent School District Finance Corporation
School Building Revenue Bonds
Second Series of 2022

Demographic and Economic Data

DAWSON SPRINGS, KENTUCKY

Dawson Springs is in the western portion of Kentucky, approximately 160 miles southwest of Louisville, 120 miles north of Nashville and 18 miles from Madisonville. In 2021, Dawson Springs had an estimated population of 2,634. Hopkins County had an estimated 2021 population of 44,593.

The Economic Framework

Dawson Springs has a labor force of 730 people. The top 5 jobs by occupation are as follows: sales - 98 (13.37%); office and administrative support - 89 (12.14%); education, training/library - 86 (11.73%); executive, managers, and administrators - 77 (10.5%); and food preparation, serving - 65 (8.87%).

Power and Fuel

The Kentucky Utilities Company and Big Rivers Electric Corporation provide electrical service and the Atmos Energy Corporation provides natural gas. The City owns and operates its own water and sewer system and is presently expanding its water treatment plant to 3 million gallons per day.

Education

Two public school systems operate in Hopkins County; the Dawson Springs Independent School System and the Hopkins County School System. One non-public school is available in Dawson Springs.

State and Local Property Taxes

All property in Kentucky, except items exempted by the state constitution, is taxed by the state. Property which also may be taxed by local jurisdictions includes land and buildings, finished goods inventories, automobiles, trucks, office furniture and office equipment. Local taxing jurisdictions in Kentucky include counties, cities, and school districts. All property in Kentucky is assessed at 100 percent of fair cash value.

LABOR MARKET STATISTICS

The Dawson Springs Labor Market Area includes Hopkins County and the adjoining Kentucky counties of Caldwell, Christian, Henderson, McLean, Muhlenberg and Webster.

Population

Area	2018	2019	2020
Hopkins County	45,361	45,139	44,702
Madisonville	18,898	18,801	18,521
Dawson Springs	2,663	2,641	2,613

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

Population Projections

Area	2015	2020	2025
Hopkins County	47,557	48,007	48,214

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

EDUCATION

Public Schools

	Dawson Springs Independent
Total Enrollment (2019-2020)	548
Pupil-Teacher Ratio	14.0 - 1

Colleges and Universities

Institution	Location	Enrollment (Fall 2020)
Brescia University	Owensboro, KY	1,015
Western KY University	Bowling Green, KY	18,171
University of Louisville	Louisville, KY	21,670
University of Evansville	Evansville, IN	2,124

Technical Schools

Technical School	Location	Enrollment 2019-2020
Caldwell County ATC	Princeton, KY	434
Webster County ATC	Dixon, KY	405
Ohio County ATC	Hartford, KY	533
Butler County ATC	Morgantown, KY	315

EXISTING INDUSTRY

Firm	Product	Total Employed
Earlington		
Jenmar of West Kentucky Inc.	Manufacture steel roof support systems	64
J-Lok Corporation	Manufacture resin which is used by mines	70
Madisonville		
American Printing Co.	Printing and sales of mine safety/inspection	8
Anchor Hydraulics	Hydraulic repairing for mine & farm industries	36
BMT Products	Mining tools & drilling bits	14
Electro Cycle Inc.	Aluminum recycling	46
GE Aircraft Engine Div.	Aircraft engines, turbines, blades & vanes	635
Integrated Metal Solutions LLC	Manufacturing of appliance components	68
International Automotive Components	Plastic automotive components and head liners	255
Land O'Frost Inc.	Pre-packaged lunchmeats	220
Modern Welding Co. Of Kentucky Inc.	Custom structural steel & metal fabricating; arc & MIG welding	22
Trace Industries	Sheltered workshop; wooden tables & chairs	3
Woodruff Supply Co. Inc.	Coal mining & industrial equipment	23

Source: Kentucky Directory of Manufacturers (1/8/2020).

APPENDIX B

Dawson Springs Independent School District Finance Corporation
School Building Revenue Bonds
Second Series of 2022

Audited Financial Statement ending June 30, 2021

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
JUNE 30, 2021

BOARD OF EDUCATION

Vicki Allen, Chairperson
Tracy Overby, Vice Chairperson
Wes Ausenbaugh, Member
Jennifer Bruce, Member
Carol Niswonger, Member

ADMINISTRATIVE STAFF

Leonard Whalen, Superintendent
Amanda Almon, Finance Officer

SANDRA D. DUGUID, CPA
ANNA B. GENTRY, CPA, CFE

WALTER G. CUMMINGS, CPA
MEREDITH D. MORRIS, CPA
KELSEY M. COX, CPA

DUGUID, GENTRY & ASSOCIATES, P.S.C.
CERTIFIED PUBLIC ACCOUNTANTS

4443 CANTON PIKE
HOPKINSVILLE, KY 42240

270.886.6355

INDEPENDENT AUDITORS' REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Dawson Springs Independent School District
Dawson Springs, 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 Dawson Springs 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Dawson Springs Independent School 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and postemployment benefits information, as listed in the table to contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and combining and individual school activity fund financial schedules 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, combining and individual school activity fund financial schedules 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, combining and individual school activity fund financial schedules 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2021, on our consideration of Dawson Springs Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dawson Springs Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dawson Springs Independent School District's internal control over financial reporting and compliance.

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 11, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT – DAWSON SPRINGS, KY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021

As management of the Dawson Springs Independent School District (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 additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the District was $1,773,006, as compared with the beginning cash balance of $1,816,502. The ending cash balance consisted of amounts in the General Fund of $1,353,353, Special Revenue Fund of ($63,507), Nonmajor Governmental Funds of $98,522 and Food Service Fund of $384,638.

- The General Fund had $5,225,475 in revenues, which primarily consisted of the state program (SEEK) funds, property, utilities, vehicle taxes and on-behalf payments for fringe benefits from the Commonwealth of Kentucky. General Fund revenues decreased in comparison to prior year revenues of $5,448,974. Excluding interfund transfers, expenditures were $5,381,799 in General Fund. This compares to $5,598,117 in General Fund expenditures for the prior year.

- The financial statements reflect a total of $1,851,356 of revenues and aid from the state for payments made by the state on behalf of District employees for retirement contributions, health insurance, debt service and technology. A like amount of expenses is also recorded in the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets and deferred outflows of resources and liabilities and deferred inflows. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets plus deferred outflows and liabilities plus deferred inflows – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, all the District's activities are reported as governmental activities.

- Governmental activities – All the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of the activities.

Fund financial statements – The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.

- *Proprietary funds* – The District's proprietary fund is Food Service. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules as listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by $687,565 as of June 30, 2021.

Long-term liabilities decreased primarily due to a net decrease of ($88,278) in net pension liability and net other postemployment benefits (OPEB) liability. This factor is outside the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. Bond payments in the amount of $295,000 were made, contributing to the decrease in long-term liabilities. A significant portion of the District's net position, $3,050,589, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position, $98,522, represents resources subject to external restrictions on how they may be used.

Following is a summary of the District's government-wide net position as of June 30, 2021 and 2020:

Net Position

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets and other assets	$ 1,671,272	$ 1,597,900	$ 391,933	$ 324,765	$ 2,063,205	$ 1,922,665
Capital assets	5,547,597	5,887,139	78,029	89,979	5,625,626	5,977,118
Total assets	7,218,869	7,485,039	469,962	414,744	7,688,831	7,899,783
Deferred outflows of resources	911,573	847,861	138,994	135,047	1,050,567	982,908
LIABILITIES						
Current liabilities	218,557	126,196	638	638	219,195	126,834
Long-term liabilities	6,311,535	6,615,967	612,393	568,193	6,923,928	7,184,160
Total liabilities	6,530,092	6,742,163	613,031	568,831	7,143,123	7,310,994
Deferred inflows of resources	844,121	686,998	64,589	69,991	908,710	756,989
NET POSITION						
Net investment in capital assets	2,972,560	3,000,574	78,029	89,979	3,050,589	3,090,553
Restricted	98,522	187,269	-	-	98,522	187,269
Unrestricted	(2,314,853)	(2,284,104)	(146,693)	(179,010)	(2,461,546)	(2,463,114)
Total net position	$ 756,229	$ 903,739	$ (68,664)	$ (89,031)	$ 687,565	$ 814,708

The net pension liability (NPL) and the other postemployment benefits (OPEB) are the largest liabilities reported by the District as of June 30, 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB 68 (pension) and GASB 75 (OPEB) require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for-benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Changes in benefits, contribution rates and return on investments affect the balance of these liabilities but are outside the control of the local government.

In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows of resources.

The increase for 2021 over 2020 in net position of governmental activities is largely due to increased state funding. The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District, and the payments are recorded as revenue from the State. The result is an increase in net position from the direct payment of principal and interest by the SFCC of $184,808. Another increase is the expenditure of current revenues on capital assets, an expenditure that does not reduce net position on the government-wide statements. The decrease in business-type activities net position is due mainly to current year changes in pension liability charges.

Following is a summary of changes in the District's net position for the years ended June 30, 2021 and 2020:

Changes in Net Position

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Operating grants and contributions	$ 2,780,561	$ 2,686,562	$ 346,064	$ 435,859	$ 3,126,625	$ 3,122,421
Capital grants and contributions	184,808	182,442	-	-	184,808	182,442
Charges for services	-	-	20,247	33,926	20,247	33,926
General revenues						
Property taxes	479,691	477,893	-	-	479,691	477,893
Other taxes	242,874	234,516	-	-	242,874	234,516
Investment earnings	2,987	27,373	479	4,477	3,466	31,850
State aid	3,191,036	3,375,293	90,047	88,111	3,281,083	3,463,404
Other	13,298	172,412	-	-	13,298	172,412
Total revenues	6,895,255	7,156,491	456,837	562,373	7,352,092	7,718,864
EXPENSES						
Instruction	4,471,304	4,912,730	-	-	4,471,304	4,912,730
Support services						
Student	184,521	182,458	-	-	184,521	182,458
Instructional staff	236,756	234,338	-	-	236,756	234,338
District administration	416,243	309,183	-	-	416,243	309,183
School administration	443,166	443,083	-	-	443,166	443,083
Business	294,969	298,050	-	-	294,969	298,050
Plant operations and maintenance	599,794	535,626	-	-	599,794	535,626
Student transportation	106,725	140,119	-	-	106,725	140,119
Community service activities	174,234	163,167	-	-	174,234	163,167
Interest expense	109,445	116,543	-	-	109,445	116,543
Bond issuance costs	-	-	-	-	-	-
Food service	5,608	-	436,470	588,191	442,078	588,191
Total expenses	7,042,765	7,335,297	436,470	588,191	7,479,235	7,923,488
Increase (decrease) in net position	$ (147,510)	$ (178,806)	$ 20,367	$ (25,818)	$ (127,143)	$ (204,624)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $1,435,867, a decrease of ($63,756) in comparison with the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements for the fiscal years ended June 30, 2021 and 2020.

The main sources of the General Fund's revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the District's activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the state, and expenditures of those grants for specific programs in accordance with the grants' guidelines. In addition to the Special Revenue (Grant) Fund, the District has the Special Revenue District Activity Fund and the Special Revenue Student Activity Fund which includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements.

The SEEK Capital Outlay Fund's revenues are derived from state SEEK allowances based upon student enrollment. The FSPK Building Fund's revenues are produced by a five-cent property tax equivalent. The use of both funds' resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing.

The Debt Service Fund is used to account for all activities related to long-term bond obligations.

Following is a summary of fund balances as of June 30, 2021 and 2020:

Governmental Funds	2021	2020	Increase (Decrease)
General Fund	$ 1,337,345	$ 1,386,981	$ (49,636)
Special Revenue Fund	-	-	-
Building Fund	151	151	-
Capital Outlay Fund	-	-	-
Student Activity Fund	98,371	112,491	(14,120)
Debt Service Fund	-	-	-
Total governmental funds	$ 1,435,867	$ 1,499,623	$ (63,756)

General Fund – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $1,307,713, while total fund balance was $1,337,345. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 24.30% of total General Fund expenditures, while total fund balance represents 24.85% of that same amount.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the budgets of the District's funds are prepared to account for most transactions on a cash receipt/cash disbursement/encumbrance basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes are ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of $444,245 or 8.66%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The note accompanying the Budgetary Comparison Schedules in the Required Supplementary Information indicates the General Fund budget does not include $1,580,918 of state payments on behalf of District employees for retirement and health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District's total revenues for General Fund activities for the fiscal year ended June 30, 2021, excluding interfund transfers, beginning balances and on-behalf payments, were $3,644,556; compared to the total budgeted revenues of $3,654,557.

- The District's total expenditures for General Fund activities for the fiscal year ended June 30, 2021, excluding interfund transfers and on-behalf payments, were $3,800,880; compared to the total budgeted expenditures of $5,049,504.

- The fund balance at the end of the 2021 fiscal year for all Governmental Funds was $1,435,867; compared to $1,499,623 in the prior year.

Significant Board action that impacts the District's finances includes the award of multiple contracts and salary increases mandated by the Legislature.

Special Revenue Fund (Fund 2) is made up of state, local and federal grants. These grants include Title I, No Child Left Behind funding, Preschool, Special Education funding and others. These funds have restricted use, according to the guidelines for each. Expenditures include salaries and benefits, supplies and transportation.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The State contributes to Fund 310.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At June 30, 2021, the District had $5,625,625 invested in capital assets net of depreciation: historical cost totaled $13,127,762 with accumulated depreciation totaling $7,502,137. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Expenditures for acquisitions and improvements during the year totaled $88,736. Depreciation charged to expense during the year totaled $312,358, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 3 to the financial statements.

Following is a summary of capital assets, net of depreciation, as of June 30, 2021 and 2020.

Net Capital Assets

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
Land	$ 467,133	$ 515,102	$ -	$ -	$ 467,133	$ 515,102
Land improvements	86,033	77,127	-	-	86,033	77,127
Construction in progress	-	36,476	-	-	-	36,476
Buildings and improvements	4,775,556	5,067,673	583	663	4,776,139	5,068,336
Technology equipment	89,994	40,095	(85)	(84)	89,909	40,011
General equipment	20,918	25,974	-	-	20,918	25,974
Vehicles	107,962	124,692	-	-	107,962	124,692
Food service equipment	-	-	77,531	89,400	77,531	89,400
	$ 5,547,596	$ 5,887,139	$ 78,029	$ 89,979	$ 5,625,625	$ 5,977,118

Long-term Debt – The District's long-term general obligation bonds outstanding at June 30, 2021 were $2,490,000. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay $1,029,623 of the bonds leaving the District to pay $1,460,377. The liability for compensated absences remained steady for the fiscal year. Other long-term obligations, mostly leases on buses, will decrease as the leases are paid down.

The State must approve the issuance of any new bonds of the District.

More detailed information about the District's long-term liabilities may be found in Note 4 to the financial statements.

OUTLOOK FOR THE FUTURE

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District's major source of revenue is state aid, primarily Kentucky SEEK funding.

The District's financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District's Board management. The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation and seeking new sources of revenues through grant writing, etc.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Superintendent or District finance personnel at (270) 797-3811 ext. 5002, or by mail at 118 East Arcadia Avenue, Dawson Springs, KY 42408.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,451,875	$ 384,638	$ 1,836,513
Accounts receivable			
Taxes	18,810	-	18,810
Other	7,620	-	7,620
Intergovernmental - federal	192,967	-	192,967
Prepaid expense	-	-	-
Inventory	-	7,295	7,295
Capital assets			
Non-depreciable	467,134	-	467,134
Depreciable (net)	5,080,463	78,029	5,158,492
Total assets	7,218,869	469,962	7,688,831
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	507,457	54,251	561,708
Pension related	331,334	84,743	416,077
Deferred amount on debt refundings	72,782	-	72,782
Total deferred outflows of resources	911,573	138,994	1,050,567
LIABILITIES			
Accounts payable	40	-	40
Cash overdraft	63,507	-	63,507
Unearned revenue	129,460	-	129,460
Interest payable	25,550	-	25,550
Accrued salaries and benefits	-	638	638
Noncurrent obligations			
Portion due or payable within one year			
Bonds payable	299,090	-	299,090
Capital lease obligations	10,961	-	10,961
Compensated absences	42,398	-	42,398
Portion due or payable after one year			
Bonds payable	2,186,131	-	2,186,131
Capital lease obligations	78,855	-	78,855
Compensated absences	58,595	3,499	62,094
Net OPEB liability	1,763,051	114,028	1,877,079
Net pension liability	1,872,454	494,866	2,367,320
Total liabilities	6,530,092	613,031	7,143,123

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION, continued
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
OPEB related	702,119	32,319	734,438
Pension related	142,002	32,270	174,272
Total deferred inflows of resources	844,121	64,589	908,710
NET POSITION			
Net investment in capital assets	2,972,560	78,029	3,050,589
Capital projects	98,522	-	98,522
Unrestricted	(2,314,853)	(146,693)	(2,461,546)
Total net position	$ 756,229	$ (68,664)	$ 687,565

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
FUNCTIONS/PROGRAMS					
Governmental Activities					
Instruction	$ 4,471,304	$ -	$ 2,208,152	$ -	$ (2,263,152)
Support services					
Student	184,521	-	49,879	-	(134,642)
Instructional staff	236,756	-	48,249	-	(188,507)
District administration	416,243	-	128,627	-	(287,616)
School administration	443,166	-	109,824	-	(333,342)
Business	294,969	-	19,414	-	(275,555)
Plant operations and maintenance	599,794	-	107,801	-	(491,993)
Student transportation	106,725	-	14,593	-	(92,132)
Community service activities	174,234	-	94,022	-	(80,212)
Food service operations	5,608	-	-	-	(5,608)
Interest on long-term debt	109,445	-	-	184,808	75,363
Total governmental activities	7,042,765	-	2,780,561	184,808	(4,077,396)
Business-type Activities					
Food service	436,470	20,247	346,064	-	(70,159)
Total business-type activities	436,470	20,247	346,064	-	(70,159)
Total activities	$ 7,479,235	$ 20,247	$ 3,126,625	$ 184,808	$ (4,147,555)

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Net Revenues (Expenses)	(4,077,396)	(70,159)	(4,147,555)
General Revenues			
Taxes			
Property	479,691	-	479,691
Motor vehicle	89,011	-	89,011
Utilities	138,624	-	138,624
Other	15,239	-	15,239
Investment earnings	2,987	479	3,466
State aid	3,191,036	90,047	3,281,083
Gain (loss) on sale of fixed assets	(127,871)	-	(127,871)
Miscellaneous	141,169	-	141,169
Total general revenues	3,929,886	90,526	4,020,412
Change in net position	(147,510)	20,367	(127,143)
Net position, beginning of year	903,739	(89,031)	814,708
Net position, end of year	$ 756,229	$ (68,664)	$ 687,565

See accompanying notes to financial statements

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Revenue	Nonmajor Governmental	Total
ASSETS				
Cash and cash equivalents	$1,353,353	$ -	$ 98,522	$ 1,451,875
Accounts receivable				
Taxes	18,810	-	-	18,810
Other	7,620	-	-	7,620
Intergovernmental - federal	-	192,967	-	192,967
Total assets	$ 1,379,783	$ 192,967	$ 98,522	$ 1,671,272
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 40	$ -	$ -	$ 40
Compensated absences	42,398	-	-	42,398
Cash overdraft	-	63,507	-	63,507
Unearned revenue	-	129,460	-	129,460
Total liabilities	42,438	192,967	-	235,405
Fund balances				
Spendable				
Restricted	-	-	98,522	98,522
Committed	29,632	-	-	29,632
Assigned	-	-	-	-
Unassigned	1,307,713	-	-	1,307,713
Total fund balances	1,337,345	-	98,522	1,435,867
Total liabilities and fund balances	$ 1,379,783	$ 192,967	$ 98,522	$ 1,671,272

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balance per fund financial statements	$ 1,435,867
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $12,847,553 and the accumulated depreciation is $7,299,957.	5,547,597
Governmental funds record losses on debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are included on the government-wide financial statements as a deferred outflow of resources.	72,782
Pension and other postemployement benefits:	
Deferred outflows - OPEB	507,457
Deferred outflows - pension	331,334
Deferred inflows - OPEB	(702,119)
Deferred inflows - pension	(142,002)
Net OPEB liability	(1,763,051)
Net pension liability	(1,872,454)
Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:	
Bond obligations	(2,485,221)
Lease obligations	(89,816)
Interest payable on bonds	(25,550)
Noncurrent portion of accumulated sick leave	(58,595)
Net position for governmental activities	$ 756,229

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Special Revenue	Nonmajor Governmental	Total
REVENUES				
From local sources				
Taxes				
Property	$ 442,031	$ -	$ 37,660	$ 479,691
Motor vehicle	89,011	-	-	89,011
Utilities	138,624	-	-	138,624
Other	15,239	-	-	15,239
Earnings on investments	2,814	-	173	2,987
Other local revenues	30,631	22,745	87,793	141,169
Intergovernmental - state	4,503,197	470,165	449,638	5,423,000
Intergovernmental - federal	3,928	729,477	-	733,405
Total revenues	5,225,475	1,222,387	575,264	7,023,126
EXPENDITURES				
Current				
Instruction	3,248,267	951,756	102,086	4,302,109
Support services				
Student	141,426	43,095	-	184,521
Instructional staff	192,187	41,426	-	233,613
District administration	406,788	-	-	406,788
School administration	455,604	-	-	455,604
Business	275,093	19,876	-	294,969
Plant operations and maintenance	511,233	72,249	-	583,482
Student transportation	84,837	3,505	-	88,342
Food service operation	-	5,608	-	5,608
Community service activities	39,065	96,257	-	135,322
Debt service	27,299	-	369,225	396,524
Total expenditures	5,381,799	1,233,772	471,311	7,086,882
Excess (deficit) of revenues over (under) expenditures	(156,324)	(11,385)	103,953	(63,756)
OTHER FINANCING SOURCES (USES)				
Transfers in	118,073	11,385	184,417	313,875
Transfers (out)	(11,385)	-	(302,490)	(313,875)
Total other financing sources (uses)	106,688	11,385	(118,073)	-
Net changes in fund balances	(49,636)	-	(14,120)	(63,756)
Fund balances, beginning of year	1,386,981	-	112,642	1,499,623
Fund balances, end of year	$ 1,337,345	$ -	$ 98,522	$ 1,435,867

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in total fund balance per fund financial statements	$ (63,756)
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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlay in the current period:	
Capital outlay	88,736
Depreciation expense	(300,408)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the remaining book value of the asset sold.	(127,871)
Bond proceeds are reported as other financing sources in governmental funds and contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of bond principal is an expenditure in the government funds financial statements but is a reduction of the liability in the statement of net position.	
Bond repayments	300,000
KISTA lease payments	12,438
Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities are:	
Deferred other postemployment benefits	60,342
Deferred pension	(124,263)
Accumulated sick leave - noncurrent portion	20,193
Amortization of bond discount/premium	(14,380)
Amortization of gain/loss on debt refunding	(910)
Accrued interest on bonds	2,369
Change in net position of governmental activities	$ (147,510)

See accompanying notes to financial statements

PROPRIETARY FUND FINANCIAL STATEMENTS

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

	School Food Service
ASSETS	
Current assets	
Cash and cash equivalents	$ 384,638
Inventory	7,295
Total current assets	391,933
Noncurrent assets	
Capital assets	280,209
Less: accumulated depreciation	(202,180)
Total noncurrent assets	78,029
Total assets	469,962
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	54,251
Pension related	84,743
Total deferred outflows of resources	138,994

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION, continued
PROPRIETARY FUND
JUNE 30, 2021

	School Food Service
LIABILITIES	
Accrued salaries and benefits	638
Total current liabilities	638
Long-term liabilities	
Compensated absences	3,499
Net OPEB liability	114,028
Net pension liability	494,866
Total long-term liabilities	612,393
DEFERRED INFLOWS OF RESOURCES	
OPEB related	32,319
Pension related	32,270
Total deferred inflows of resources	64,589
NET POSITION	
Net investment in capital assets	78,029
Unrestricted	(146,693)
Total net position	$ (68,664)

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service
OPERATING REVENUES	
Lunchroom sales	$ 20,247
Total operating revenues	20,247
OPERATING EXPENSES	
Salaries and wages	257,113
Materials and supplies	157,213
Depreciation	11,950
Contract services	10,194
Total operating expenses	436,470
Operating income (loss)	(416,223)
NONOPERATING REVENUES (EXPENSES)	
Federal grants	327,183
Donated commodities	18,881
State grants	4,417
State on-behalf payments	85,630
Interest income	479
Total nonoperating revenues (expenses)	436,590
Change in net position	20,367
Net position, beginning of year	(89,031)
Net position, end of year	$ (68,664)

See accompanying notes to financial statements

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service
Cash flows from operating activities	
Cash received from	
Lunchroom sales	$ 20,247
Cash paid to/for	
Employees	(136,632)
Supplies	(139,841)
Contract services	(10,194)
Net cash provided (used) by operating activities	(266,420)
Cash flows from noncapital financing activities	
Government grants	331,600
Net cash provided (used) by noncapital financing activities	331,600
Cash flows from investing activities	
Receipt of interest income	479
Net cash provided (used) by investing activities	479
Net increase (decrease) in cash and cash equivalents	65,659
Cash and cash equivalents, beginning of year	318,979
Cash and cash equivalents, end of year	$ 384,638

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS, continued
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	$ (416,223)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	11,950
Donated commodities	18,881
State on-behalf payments	85,630
Changes in assets and liabilities	
Inventory	(1,509)
OPEB	6,232
Pension	25,946
Compensated absences	2,673
Net cash provided (used) by operating activities	$ (266,420)
Schedule of non-cash transactions	
Donated commodities received from Federal government	$ 18,881
On-behalf payments	85,630

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Dawson Springs Independent School District (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 the Dawson Springs Independent School District (District), The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not a component unit of any other governmental “reporting entity”. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District’s financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61 sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Based on the foregoing criteria, the financial statements of the Dawson Springs Independent School District Finance Corporation are included in the accompanying financial statements. In 1992, the Board authorized the establishment of the Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Dawson Springs Independent School District 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 government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

> *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
>
> *Restricted net position* – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
>
> *Unrestricted net position* – Consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

The *General Fund* is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid. This is a major fund of the District.

The *Special Revenue Funds* account for proceeds of specific revenue sources (other than agency funds or major capital projects) that are legally restricted to disbursements for specified purposes.

> The *Special Revenue Fund* includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.
>
> The *Special Revenue District Activity Fund* includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements. Project accounting is employed to maintain integrity for the various sources of funds.
>
> The *Special Revenue Student Activity Fund* includes funds restricted to expenditures for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Kentucky Department of Education Uniform Program of Accounting for School Activity Funds.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

The *Construction Fund* accounts for proceeds from sales of bonds and other revenue to be used for authorized construction.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

Proprietary Funds Type

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District has the following enterprise fund:

The *School Food Service Fund* accounts for the food service operations of the District.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports a fiduciary fund which focuses on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Nonexchange Transactions

Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

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

Proprietary funds distinguish operating revenues 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 operations. The principal operating revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure restricted fund balance and then to less restrictive classifications—committed, assigned and then unassigned fund balances.

The Significant Accounting Policies Followed by the District Include the Following:

Cash and Cash Equivalents

The District considers demand deposits, money market funds and time deposits that are nonnegotiable to be cash and cash equivalents for governmental and proprietary funds. This definition is also used for the proprietary funds' statements of cash flows.

Property Taxes Receivable

Property taxes in the governmental funds are accounted for using the modified accrual basis of accounting.

Property taxes collected are recorded as revenues in the fund for which they were levied. Property taxes are levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes become delinquent after December 31.

The property tax rates for the year ended June 30, 2021, to finance the General Fund operations were $.747 per $100 valuation for real property, $.747 per $100 valuation for business tangible personal property and $.687 per $100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3.00% of the gross receipts derived from furnishings, within the District, of telephonic and telegraphic communications services, cablevision services, electric power, water and natural, artificial and mixed gas.

Inventories

Inventories are valued at cost, which approximates market. The Food Service Fund uses the specific identification method, and the General Fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Prepaid Expenditures

Payments made that will benefit periods beyond the end of the fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Certain assets of the General Fund are classified as restricted assets because their use is restricted by KRS 157.420(3).

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 both in 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 retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000 with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

Description	Capitalization Threshold	Estimated Lives For Depreciation
Buildings and improvements	$5,000	25-50 years
Land improvements	5,000	20 years
Technology equipment	1,000	5 years
Vehicles	1,000	5-10 years
Food service equipment	1,000	10-12 years
Furniture and fixtures	1,000	7 years
Other	1,000	10-15 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unearned Revenue

Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

Debt Premium and Discounts

Unamortized premiums and discounts associated with bond issues are amortized over the lives of the related bonds using the straight-line method and are an addition (premium) or deduction (discount) to the debt balances in the government-wide statements.

Compensated Absences

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused sick leave up to a specified amount depending on their date of hire. Sick leave is payable to employees upon termination or retirement at 30.00% of the current rate of pay on the date of termination or retirement. The District uses the termination method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, OPEB and OPEB expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (CERS) and Teachers' Retirement System of the State of Kentucky (KTRS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 10 and the net OPEB liability described in Note 11.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability as described in Note 10 and the net OPEB liability described in Note 11.

Cash Flows

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fund Balances

In the fund financial statements, governmental fund balances as classified as follows:

Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints.

Restricted – Amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts which can be used only for specific purposes determined by the Board of Education's formal action through a resolution.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the Board or Management. The board adopted a resolution establishing the authority to assign funds.

Unassigned – All amounts not included in other spendable classifications.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

In proprietary funds, fiduciary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 financial statements.

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 reported amounts of certain financial statement balances. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 11, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

The District maintained deposits of public funds with depository institutions insured by the FDIC as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institutions should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times.

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned to it. As stipulated by KRS 41.240(4), all deposits are collateralized with eligible securities or other obligations having aggregate current face value or current quoted market value at least equal to the deposits. The District does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4).

At June 30, 2021, the carrying amount of the District’s deposits was $1,773,006 and the bank balance was $1,967,771. Of the District’s bank balance, $250,000 was covered by Federal Deposit Insurance, with the remaining balance of $1,717,771 collateralized as discussed above.

The carrying amounts are reflected in the financial statements as follows:

Governmental funds	$ 1,388,368
Proprietary funds	384,638
Total	$ 1,773,006

NOTE 3 – CAPITAL ASSETS, continued

Capital Asset activity for the fiscal year ended June 30, 2021, was as follows:

Governmental Activities	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets not depreciated				
Land	$ 515,102	$ -	$ 47,969	$ 467,133
Construction in progress	36,476	-	36,476	-
Total nondepreciable historical cost	551,578	-	84,445	467,133
Capital assets depreciated				
Land improvements	614,695	19,098	8,368	625,425
Buildings and improvements	10,369,582	5,440	78,429	10,296,593
Technology equipment	843,444	64,198	139,328	768,314
General equipment	223,530	-	2,495	221,035
Vehicles	614,428	-	145,375	469,053
Total depreciable historical cost	12,665,679	88,736	373,995	12,380,420
Less: accumulated depreciation				
Land improvements	537,568	10,192	8,368	539,392
Buildings and improvements	5,301,909	254,131	35,003	5,521,037
Technology equipment	803,349	14,299	139,328	678,320
General equipment	197,556	5,056	2,495	200,117
Vehicles	489,736	16,730	145,375	361,091
Total accumulated depreciation	7,330,118	300,408	330,569	7,299,957
Total depreciable historical cost - net	5,335,561	(211,672)	43,426	5,080,463
Governmental activities capital assets - net	$ 5,887,139	$ (211,672)	$ 127,871	$ 5,547,596

NOTE 3 – CAPITAL ASSETS, continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Instruction	$ 189,665
Support services	
Instructional staff	3,143
District administration	9,455
School administration	-
Plant operations and maintenance	40,850
Student transportation	18,383
Community service activities	38,912
Total depreciation expense	$ 300,408

Business-type Activities	July 1, 2020	Additions	Deductions	June 30, 2021
Capital assets depreciated				
Buildings and improvements	$ 2,010	$ -	$ -	$ 2,010
Technology equipment	4,876	-	1,915	2,961
Food service equipment	278,156	-	2,918	275,238
Total depreciable historical cost	285,042	-	4,833	280,209
Less: accumulated depreciation				
Buildings and improvements	1,347	80	-	1,427
Technology equipment	4,961	-	1,915	3,046
Food service equipment	188,755	11,870	2,918	197,707
Total accumulated depreciation	195,063	11,950	4,833	202,180
Business-type activities capital assets - net	$ 89,979	$ (11,950)	$ -	$ 78,029

NOTE 4 – LONG-TERM OBLIGATIONS

The District issues bonds to provide funds for the acquisition and construction of major capital facilities and improvements. The original amount of the issue, the dates and interest rates are summarized below:

Issue	Proceeds	Maturity Dates	Interest Rates
Issue of 2014	$ 2,750,000	2029	2.25%-6.40%
Issue of 2015	1,440,000	2026	2.00%

Participation Agreements

The District entered into participation agreements with the School Facilities Construction Commission (SFCC). The Commission was created by the Kentucky legislature for the purpose of assisting local school districts in meeting school construction needs. Receipts from the SFCC are recorded as intergovernmental-state revenue in the Debt Service Fund.

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

	Dawson Springs Independent School District		School Facilities Construction Commission		
Year	Principal	Interest	Principal	Interest	Total
2022	$ 138,132	$ 42,434	$ 161,868	$ 20,670	$ 363,104
2023	152,662	38,073	162,338	17,232	370,305
2024	150,827	33,521	169,173	13,735	367,256
2025	152,703	28,967	172,297	10,113	364,080
2026	161,307	24,257	173,693	6,448	365,705
2027-2030	704,746	43,646	190,254	5,454	944,100
	$ 1,460,377	$ 210,898	$ 1,029,623	$ 73,652	$ 2,774,550

NOTE 4 – LONG-TERM OBLIGATIONS, continued

A summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental activities					
Bonds payable					
General obligation debt	$ 2,790,000	$ -	$ 300,000	$ 2,490,000	$ 300,000
Premiums (discounts)	(5,689)	-	(910)	(4,779)	(910)
Total bonds payable	2,784,311	-	299,090	2,485,221	299,090
Other liabilities					
Capital leases	102,254	-	12,438	89,816	10,961
Compensated absences	78,788	22,205	-	100,993	42,398
Net OPEB liability	1,819,118	-	56,067	1,763,051	-
Net pension liability	1,831,496	40,958	-	1,872,454	-
Total other liabilities	3,831,656	63,163	68,505	3,826,314	53,359
Total long-term liabilities	$ 6,615,967	$ 63,163	$ 367,595	$ 6,311,535	$ 352,449
Business-type activities					
Other liabilities					
Compensated absences	$ 826	$ 2,673	$ -	$ 3,499	$ -
Net OPEB liability	81,053	32,975	-	114,028	-
Net pension liability	486,314	8,552	-	494,866	-
Total other liabilities	$ 568,193	$ 44,200	$ -	$ 612,393	$ -

As explained in Note 1, payments on the District's bonds are made by the Debt Service Fund. The compensated absences and lease obligations will be liquidated by the General Fund. In the past, these liabilities have been paid each year by the General Fund.

NOTE 5 – CAPITAL LEASES

Leases meeting certain criteria are treated as financings and, according to generally accepted accounting principles, are recorded as capitalized leases. The District leases school buses and technology equipment pursuant to these types of leases and, as such, the cost is included with property and equipment. The related capital lease obligation reflects the present value of future lease payments less an interest amount implicit in the lease.

Class of Property	Cost	Accumulated Depreciation
Vehicle	$ 270,869	$ 179,018
Technology	120,000	120,000

NOTE 5 – CAPITAL LEASES, continued

Future minimum payments under the long-term capital lease obligation, together with the present value of the net minimum lease payments as of June 30, 2021 are, as follows.

Year Ending	Lease
2022	$ 13,655
2023	13,636
2024	13,607
2025	13,603
2026	13,588
2027-2029	33,639
Total minimum lease payments	101,728
Lease amount representing interest	(11,912)
Present value of net minimum lease payments	$ 89,816

During the year ended June 30, 2021, the following changes occurred in the capital lease obligations:

	Balance July 1, 2020	Additions	Payments	Balance June 30, 2021	Due in One Year
KISTA 2019	$ 102,254	$ -	$ 12,438	$ 89,816	$ 10,961
Total	$ 102,254	$ -	$ 12,438	$ 89,816	$ 10,961

NOTE 6 – COMPENSATED ABSENCES

Upon retirement, the school system employees will receive from the District an amount equal to 30.00% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year's economic financial resources. These amounts are recorded in the account "accrued sick leave payable" in the General Fund. Management has estimated that the amount for governmental activities will be approximately $100,993, with $42,398 considered the short-term portion. Management has estimated that the amount for business-type activities will be approximately $3,499, with $0 considered the short-term portion.

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – FUND BALANCE REPORTING

Following is a summary of designations of fund balance at June 30, 2021:

	General	Special Revenue	Other Governmental	Total
Nonspendable	$ -	$ -	$ -	$ -
Restricted				
Future construction	-	-	151	151
Student activity	-	-	98,371	98,371
Committed				
Site-based carry forward	29,632	-	-	29,632
Assigned	-	-	-	-
Unassigned	1,307,713	-	-	1,307,713
	$ 1,337,345	$ -	$ 98,522	$ 1,435,867

NOTE 8 – TRANSFER OF FUNDS

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue	KETS matching	$ 11,385
General Fund	Capital Outlay	Capital outlay	63,863
FSPK	Capital Outlay	Capital outlay	184,417
General Fund	Capital Outlay	Capital outlay	54,210
			$ 313,875

NOTE 9 – ON-BEHALF PAYMENTS

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2021:

Health insurance	$	723,339
Life insurance		1,089
Administrative fee		8,850
Health reimbursement account - HRA/dental/vision		31,412
		764,690
Federal reimbursements of health benefits		(87,777)
		676,913
KTRS pension fund		857,229
KTRS insurance fund		64,762
Technology		67,644
Debt service		184,808
	$	1,851,356

The District is not legally responsible for these contributions. These payments are not required to be budgeted by the District. The total of these payments has been included in revenues and the applicable expenditure functions in these financial statements as follows:

Governmental activities		
General Fund	$	1,580,918
Debt Service Fund		184,808
Business-type activities		
Food Service Fund		85,630
	$	1,851,356

NOTE 10 – PENSION PLANS

The District participates in the County Employees Retirement System (CERS), a blended component unit of the Commonwealth of Kentucky, and the Teachers' Retirement System of the State of Kentucky (KTRS), a blended unit of the Commonwealth of Kentucky. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by KTRS and CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 10 – PENSION PLANS, continued

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

Plan description – The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members of each participating county, city and school board, and any additional eligible local agencies electing to participate in the plan. Effective April 1, 2021, administration of CERS was transferred from the Kentucky Public Pensions Authority's Board of Trustees to the CERS board of trustees established by House Bill 484, which created a new section of Kentucky Revised Statute 61.510 to 61.705.

The administrative entity comprising the office of counselors and professional staff that has traditionally been known as Kentucky Retirement Systems has changed its name to the Kentucky Public Pensions Authority (KPPA). The entity issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained on the KPPA website at www.kyret.ky.gov or by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124.

Benefits provided – CERS provides retirement, death and disability benefits to Plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost of living (COLA) adjustments are provided at the discretion of the State legislature. 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
	Required contributions	5.00%
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
	Required contributions	5.00% + 1.00% for insurance
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
	Required contributions	5.00% + 1.00% for insurance

NOTE 10 – PENSION PLANS, continued

Contributions – Contribution rates are established by the Kentucky Revised Statutes. For the fiscal year ended June 30, 2021, participating employers contributed 19.30% of each employee's creditable compensation. The actuarially determined contribution requirements of plan members and the Board were established and could be amended by the Kentucky Systems Board of Trustees.

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

At June 30, 2021, the District reported a liability of $2,367,320 for its proportionate share of the net pension liability. The net pension liability of the 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.

The District's proportion of the net pension liability was based on the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2021, the District's proportion was 0.030865%.

For the year ended June 30, 2021, the District's recognized pension expense of $299,654. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 59,033	$ -
Change of assumptions	92,440	-
Net differences between projected and actual earnings on pension plan investments	102,615	43,376
Changes in proportion and difference between District contributions and proportionate share of contributions	6,169	130,896
District contributions subsequent to the measurement date	155,820	-
Total	$ 416,077	$ 174,272

NOTE 10 – PENSION PLANS, continued

For the year ended June 30, 2021, $155,820 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Years Ending June 30	
2021	$ 29,261
2022	9,872
2023	23,062
2024	23,790
2025	-
Thereafter	-
Total	$ 85,985

Actuarial assumptions – The total pension liability, net pension liability and sensitivity information for the actuarial valuation as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total pension liability was rolled forward from the valuation date (June 30, 2019) to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018, and the Board adopted updated assumptions for first use in the June 30, 2019 actuarial valuation.

Inflation	2.30%
Projected salary increases	3.30% - 11.55%, varies by service
Investment rate of return	6.25%, net of investment expense and inflation
Payroll growth rate	2.00%

House Bill 271 passed during the 2020 legislative session which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to an in line of duty or duty-related injury upon remarriage of the surviving spouse. It also increased benefits for a very small number of surviving spouses and dependent children who did not initially elect the in line of duty or duty-related benefit. There were no other material benefit provision changes since the prior valuation.

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

NOTE 10 – PENSION PLANS, continued

Long-term rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equity	18.75%	4.50%
International equity	18.75%	5.26%
Core bonds	13.50%	-0.25%
High yield	15.00%	3.90%
Opportunistic	3.00%	2.25%
Real estate	5.00%	5.30%
Real return	15.00%	3.95%
Private equity	10.00%	6.65%
Cash	1.00%	-0.75%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability for the measurement period with year ended June 30, 2020 was 6.25%. The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 Legislative Session. This includes the phase-in provisions from House Bill 362 (passed in 2020) which kept CERS contributions level for fiscal year ended 2021.

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

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	$ 2,919,421	$ 2,367,320	$ 1,910,160

NOTE 10 – PENSION PLANS, continued

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of CERS.

Payable to the pension plan – At June 30, 2021, the District reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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

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://trs.ky.gov/financial-reports-information.

Benefits provided – For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five (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 who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to 2.00% (service prior to July 1, 1983) and 2.50% (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2.00% of their final average salary for each year of service if, upon retirement, their total service was less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.50% of their final average salary for each year of service, including the first ten years. In addition, members 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 2.50% to 3.00% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

NOTE 10 – PENSION PLANS, continued

Final average salary is defined as the member's five (5) highest salaries for those with less than 27 years of service. Members 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 members 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 members and $5,000 for retired or disabled members.

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 members are required to contribute 12.855% of their salaries to the System effective July 1, 2015.

For members employed by local school districts, the Commonwealth of Kentucky, as a non-employer contributing entity, contributes 13.105% of salaries for those who joined before July 1, 2008 and 14.105% for those who joined thereafter. For local school district and regional cooperative members 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.

At June 30, 2021, the District did not report a liability for its proportionate share of the net pension liability, because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District:

Commonwealth's proportionate share of KTRS net pension liability associated with the District	$ 11,843,125
	$ 11,843,125

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2019 to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net pension liability 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.

For the year ended June 30, 2021, the District recognized pension expense of ($1,314,097) and revenue of $1,314,097 for support provided by the State in the government-wide financial statements.

NOTE 10 – PENSION PLANS, continued

Actuarial assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Projected salary increases	3.50% - 7.30%, including inflation
Inflation rate	3.00%
Municipal bond index rate	2.19%
Single equivalent interest rate	7.50%

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 one year for females and two years for males. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015 adopted by the TRS Board on November 19, 2016.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equity	40.00%	4.60%
International equity	22.00%	5.60%
Fixed income	15.00%	0.00%
Additional categories	7.00%	2.50%
Real estate	7.00%	4.30%
Private equity	7.00%	7.70%
Cash	2.00%	-0.05%
Total	100.00%	

NOTE 10 – PENSION PLANS, continued

Discount rate – 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 the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of KTRS.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, allows entities with little or no administrative involvement that do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements. The District does not contribute to these plans, and employees of the District contributed $11,070 to these plans during the year ended June 30, 2021.

NOTE 11– OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the County Employees Retirement System Non-Hazardous (CERS) OPEB Plan

Plan description – County Employees Retirement System consists of two plans, Non-Hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits (OPEB) plan administered by the Kentucky Public Pensions Authority (KPPA) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city and any additional eligible local agencies electing to participate. The District participates in the Non-Hazardous plan. Effective April 1, 2021, administration of the Insurance Fund was transferred from the Kentucky Public Pensions Authority's Board of Trustees to the CERS board of trustees established by House Bill 484.

The administrative entity comprising the office of counselors and professional staff that has traditionally been known as Kentucky Retirement Systems has changed its name to the Kentucky Public Pensions Authority (KPPA). The entity issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained on the KPPA website at www.kyret.ky.gov or by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Benefits provided – The KPPA's Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KPPA submits the premium payments to DEI. The Board contracts with Humana to provide healthcare benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Contributions – Employers participating in the CERS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KPPA board is a percentage of each employee's creditable compensation. For the year ended June 30, 2021, required contributions were 5.26% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2021 were $38,430. The KPPA 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 bases adopted by the KPPA board. Employees qualifying as Tier 2 and Tier 3 of the CERS plan members contribute 1.00% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit subsidy – The fully-insured premiums KPPA pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer 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 Related to OPEB

At June 30, 2021, the District reported a liability of $745,079 for its proportionate share of the net OPEB liability. 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 June 30, 2019. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion for was 0.030856%.

For the year ended June 30, 2021, the District recognized OPEB expense of approximately $88,444.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 124,487	$ 124,584
Changes of assumptions	129,600	788
Net difference between projected and actual earnings on pension plan investments	39,968	15,203
Changes in proportion and difference between District contributions and proportionate share of contributions	6,835	58,863
District contributions subsequent to the measurement date	38,430	-
Total	$ 339,320	$ 199,438

For the year ended June 30, 2021, $38,430 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 20, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2021	$ 28,378
2022	35,707
2023	21,690
2024	19,174
2025	(3,497)
Thereafter	-
Total	$ 101,452

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Actuarial assumptions – The total OPEB liability, net OPEB liability and sensitivity information for the actuarial valuation 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 ended June 30, 2020, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018 and the Board adopted updated assumptions for first use in the June 30, 2019 actuarial valuation. The assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.90% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

Payroll growth rate	2.00%
Inflation	2.30%
Salary increase	3.30% - 11.55%, varies by service
Investment rate of return	6.25%
Healthcare cost trend rates (pre-65)	Initial trend starting at 7.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years
Healthcare cost trend rates (post-65)	Initial trend starting at 5.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years

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

Long-term expected rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real 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.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

Asset Class	Target Allocation	Long-term Expected Real Rate Return
US equity	18.75%	4.50%
International equity	18.75%	5.26%
Core bonds	13.50%	-0.25%
High yield	15.00%	3.90%
Opportunistic	3.00%	2.25%
Real estate	5.00%	5.30%
Real return	15.00%	3.95%
Private equity	10.00%	6.65%
Cash	1.00%	-0.75%
Total	100.00%	

Discount rate – The discount rates used to measure the total OPEB liability for the year ended June 30, 2021 were 5.34% for non-hazardous and 5.68% for hazardous. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate Bill 249 (passed in 2020). The cost associated with the implicit employer subsidy was not included in the calculation of the Kentucky Public Pensions Authority's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the Kentucky Public Pensions Authority's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. There was a change in the Municipal Bond Index Rate from the prior measurement date, so as required under GASB 75, the single discount rate at the measurement date of 5.34% for non-hazardous was calculated using the Municipal Bond Index Rate as of the measurement date of 2.45%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020. This change in the discount rate is considered a change in actuarial assumptions or other inputs under GASB 75.

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

	1% Decrease	Current Discount Rate	1% Increase
	4.34%	5.34%	6.34%
District's proportionate share of net OPEB liability	$ 957,207	$ 745,079	$ 570,850

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	$ 576,877	$ 745,079	$ 949,195

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority's Comprehensive Annual Financial Report on the KPPA website at www.kyret.ky.gov.

Payable to the OPEB plan – At June 30, 2021, the District reported a payable of $0 for the outstanding amount of contributions to the CERS OPEB plan required for the year ended June 30, 2021.

General Information about the Teachers' Retirement System of Kentucky (KTRS) OPEB Plan

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

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

Medical Insurance Plan

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

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

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

At June 30, 2021, the District reported a liability of $1,132,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate 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 employers, actuarially determined. At June 30, 2021, the District's proportion was 0.044845%.

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

District's proportionate share of net OPEB liability	$ 1,132,000
State's proportionate share of net OPEB liability associated with the District	907,000
Total	$ 2,039,000

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

For the year ended June 30, 2021, the District recognized OPEB expense of ($5,000) and revenue of $9,000 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 482,000
Changes of assumptions	69,000	-
Net difference between projected and actual earnings on OPEB plan investments	37,000	-
Changes in proportion and difference between District contributions and proportionate share of contributions	35,000	53,000
District contributions subsequent to the measurement date	81,388	-
Total	$ 222,388	$ 535,000

Of the total amount reported as deferred outflows of resources related to OPEB, $81,388 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2021	$ (81,000)
2022	(78,000)
2023	(78,000)
2024	(71,000)
2025	(62,000)
Thereafter	(24,000)
Total	$ (394,000)

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Healthcare cost trend rates	
Under 65	7.50% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	1.02% for FY 2018 with an ultimate rate of 5.00% by 2031
Municipal bond index rate	2.19%
Discount rate	8.00%
Single equivalent interest rate	8.00%, net of OPEB plan investment expense, including inflation

Mortality rates based on the RP-2000 Combined Mortality Table, projected to 2025 with projection scale BB and set forward two years for males and one year for females, is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table, set forward two years for males and seven years for females, is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for TRS, which covered the five-year period ended June 30, 2015. The remaining actuarial assumptions used in the June 30, 2019 valuation of the Medical Insurance Fund (MIF) were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation. The healthcare cost trend assumption was updated for the June 30, 2019 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global equity	58.00%	5.40%
Fixed income	9.00%	0.00%
Real estate	6.50%	4.30%
Private equity	8.50%	7.70%
Other additional categories	17.00%	2.50%
Cash (LIBOR)	1.00%	-0.50%
Total	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2019. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be depleted.

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate*:*

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
District's proportionate share of net OEPB liability	$ 1,368,000	$ 1,132,000	$ 935,000

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OEPB liability	$ 897,000	$ 1,132,000	$ 1,421,000

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

Life Insurance Plan

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

Benefits provided – TRS provides a life insurance benefit of $5,000 payable for members who retire based on service or disability. TRS provides a life insurance benefit of $2,000 payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

At June 30, 2021, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of net OPEB liability	$ -
State's proportionate share of net OPEB liability associated with the District	27,000
Total	$ 27,000

For the year ended June 30, 2021, the District recognized OPEB expense of $0 and revenue of $0 for support provided by the State in the government-wide financial statements.

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

Investment rate of return	7.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Municipal bond index rate	2.19%
Discount rate	7.50%
Single equivalent interest rate	7.50%, net of OPEB plan investment expense, including inflation

Mortality rates based on the RP-2000 Combined Mortality Table, projected to 2025 with projection scale BB and set forward two years for males and one year for females, is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table, set forward two years for males and seven years for females, is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2015.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
US equity	40.00%	4.60%
International equity	23.00%	5.60%
Fixed income	18.00%	0.00%
Real estate	6.00%	4.40%
Private equity	5.00%	7.70%
Other additional categories	6.00%	2.50%
Cash (LIBOR)	2.00%	-0.50%
Total	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2019. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF's fiduciary net position was not projected to be depleted.

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

NOTE 12 – CONTINGENCIES

Grant Programs

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if, based on the grantor's review, the funds are considered not to have been used for the intended purpose, the grantor 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.

COVID-19

The COVID-19 outbreak is disrupting business across a range of industries in the United States, and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

NOTE 13 – INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated including workers' compensation insurance.

NOTE 14 – RISK MANAGEMENT AND LITIGATION

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions and general liability coverage, the District purchases commercial insurance.

The District purchases unemployment insurance through the Kentucky School Boards' Association; however, risk has not been transferred. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial statements.

NOTE 15 – COBRA

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

The District has notified all terminated employees of available continuing insurance coverage as mandated by COBRA.

NOTE 16 – INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2021.

NOTE 17 – NET POSITION DEFICIT BALANCE

There are no funds of the District that currently have a deficit fund balance. However, the following fund had excess current year expenditures over current year appropriated revenues: General Fund ($49,636), Student Activity ($14,120).

The School Food Service Fund has a deficit balance of ($68,664). Excluding the effect on net position of GASB 68 related pension accounts and GASB 75 related OPEB accounts of ($534,489), School Food Service has a net position of $465,825. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS

The District adopted the following statements during the year ended June 30, 2021:

GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS, continued

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* issued May 2020, the provisions of this Statement were effective immediately upon issuance. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: GASB Statements Nos. 83, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: GASB Statement No. 87 and Implementation Guide No. 2019-3.

Adoption of these Statements did not have a significant impact on the District's financial position or results of operations.

As of June 30, 2021, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District, in the future, are as follows:

GASB Statement No. 87, *Leases,* issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5–22 of GASB Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS, continued

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2020-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of GASB Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, will be effective for the District beginning will its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end-users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets—an intangible asset and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
From local sources				
Taxes				
Property	$ 360,000	$ 360,000	$ 442,031	$ 82,031
Motor vehicle	75,000	75,000	89,011	14,011
Utilities	115,000	115,000	138,624	23,624
Other	10,010	10,010	15,239	5,229
Earnings on investments	3,000	3,000	2,814	(186)
Other local revenues	2,700	2,700	30,631	27,931
Intergovernmental - state	3,088,847	3,088,847	2,922,278	(166,569)
Intergovernmental - federal	-	-	3,928	3,928
Total revenues	3,654,557	3,654,557	3,644,556	(10,001)
EXPENDITURES				
Current				
Instruction	2,413,848	2,413,848	1,969,768	444,080
Support services				
Student	179,907	179,907	133,641	46,266
Instructional staff	207,531	207,531	184,402	23,129
District administration	701,515	701,515	278,161	423,354
School administration	350,778	350,778	345,780	4,998
Business	229,771	229,771	275,093	(45,322)
Plant operations and maintenance	694,529	694,529	474,003	220,526
Student transportation	149,091	149,091	73,668	75,423
Community service activities	70,578	70,578	39,065	31,513
Building acquisition and construction	21,000	21,000	-	21,000
Debt service	30,956	30,956	27,299	3,657
Total expenditures	5,049,504	5,049,504	3,800,880	1,248,624
Excess (deficit) of revenues over (under) expenditures	(1,394,947)	(1,394,947)	(156,324)	1,238,623
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	118,073	118,073
Transfers (out)	(11,385)	(11,385)	(11,385)	-
Total other financing sources (uses)	(11,385)	(11,385)	106,688	118,073
Net change in fund balance	(1,406,332)	(1,406,332)	(49,636)	1,356,696
Fund balance, beginning of year	1,406,332	1,406,332	1,386,981	(19,351)
Fund balance, end of year	$ -	$ -	$ 1,337,345	$ 1,337,345

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amount			Variance with Final Budget Favorable
REVENUES	Original	Final	Actual	(Unfavorable)
From local sources				
Other local revenues	$ -	$ 173,036	$ 22,745	$ (150,291)
Intergovernmental - state	333,159	333,159	470,165	137,006
Intergovernmental - federal	550,666	1,634,961	729,477	(905,484)
Total revenues	883,825	2,141,156	1,222,387	(918,769)
EXPENDITURES				
Current				
Instruction	728,435	988,709	951,756	36,953
Support services				
Student	-	43,096	43,095	1
Instructional staff	66,141	66,141	41,426	24,715
Business	22,770	25,346	19,876	5,470
Plant operations and maintenance	-	951,385	72,249	879,136
Student transportation	5,791	5,791	3,505	2,286
Food service operation	-	-	5,608	(5,608)
Community service activities	72,073	72,073	96,257	(24,184)
Total expenditures	895,210	2,152,541	1,233,772	918,769
Excess (deficit) of revenues over (under) expenditures	(11,385)	(11,385)	(11,385)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	11,385	11,385	11,385	-
Total other financing sources (uses)	11,385	11,385	11,385	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

BUDGETARY INFORMATION

The District's budgetary process accounts for transactions on a basis other than Generally Accepted Accounting Principles (GAAP).

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

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

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

The District does not budget for on-behalf payments, which are reported with the General and Food Service Funds in the fund financial statements and the budgetary comparison supplementary information.

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

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

The District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each year. This budget must contain a 2.00% reserve.

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

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

Reconciliation to the General Fund

Revenues - budgetary basis	$ 3,644,556
On-behalf payments	1,580,919
Total revenues - modified cash basis	$ 5,225,475
Expenditures - budgetary basis	$ 3,800,880
On-behalf payments	1,580,919
Total expenditures - modified cash basis	$ 5,381,799

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of June 30	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.030865%	0.032956%	0.035067%	0.034115%	0.035000%	0.035480%	0.034870%
District's proportionate share of net pension liability	$ 2,367,320	$ 2,317,810	$ 2,135,687	$ 1,996,856	$ 1,723,025	$ 1,525,392	$ 1,156,200
District's covered-employee payroll	$ 823,627	$ 863,831	$ 901,646	$ 860,427	$ 835,348	$ 792,477	$ 796,010
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	287.43%	268.32%	236.87%	232.08%	206.26%	192.48%	145.25%
Plan fiduciary net position as a percentage of total pension liability	47.81%	50.45%	54.54%	53.32%	55.50%	59.97%	66.80%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District’s measurement date which is the prior year’s end.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 155,820	$ 158,960	$ 140,113	$ 130,559	$ 160,728	$ 142,510	$ 140,032
Contributions in relation to the contractually required contribution	155,820	158,960	140,113	130,559	160,728	142,510	140,032
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 807,359	$ 823,627	$ 863,831	$ 901,646	$ 860,427	$ 835,348	$ 792,477
Contributions as a percentage of covered-employee payroll	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

<u>Changes in benefit terms</u>

House Bill 271 passed during the 2020 Legislative Session and removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries.

<u>Changes in assumptions</u>

No change.

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

As of June 30	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of net pension liability	$ 11,843,125	$ 11,787,743	$ 11,347,258	$ 23,357,882	$ 26,140,046	$ 20,203,043	$ 18,144,400
District's covered-employee payroll	$ 2,753,979	$ 2,779,774	$ 2,763,339	$ 2,720,279	$ 2,766,215	$ 2,655,664	$ 2,770,518
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	58.27%	58.76%	59.30%	39.83%	35.22%	42.49%	45.59%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

As of year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,889,120	$ 2,753,979	$ 2,779,774	$ 2,763,339	$ 2,720,279	$ 2,766,215	$ 2,655,664
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

<u>Changes in benefit terms</u>

No changes.

<u>Changes in assumptions</u>

The municipal bond index rate was changed from 3.50% to 2.19%.

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.030856%	0.032948%	0.035065%	0.034115%
District's proportionate share of collective net OPEB liability	$ 745,079	$ 554,171	$ 622,572	$ 685,828
District's covered-employee payroll	$ 823,627	$ 863,831	$ 901,646	$ 860,427
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	90.46%	64.15%	69.05%	79.71%
Plan fiduciary net position as a percentage of total OPEB liability	51.67%	60.44%	57.62%	52.40%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District’s measurement date which is the prior year’s end.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of year ended June 30	2021	2020	2019	2018
Contractually required OPEB contribution	$ 38,430	$ 39,205	$ 45,437	$ 42,377
Contributions in relation to the contractually required contribution	38,430	39,205	45,437	42,377
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 807,359	$ 823,627	$ 863,831	$ 901,646
Contributions as a percentage of covered-employee payroll	4.76%	4.76%	5.26%	4.70%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

Changes in benefit terms

No changes.

Changes in assumptions

- The single discount rate of non-hazardous changed from 5.68% to 5.34%.
- The municipal bond rate decreased from 3.13% to 2.45%.
- The assumed increase in future healthcare costs, or trend assumption, was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs.
- The June 30, 2020 actuarial information reflects the anticipated savings from the repeal of the “Cadillac Tax” and “Health Insurer Fee”, which occurred in December of 2019. The assumed loan on pre-Medicare premiums were reduced by 11.00% to reflect the repeal of the Health Insurer Fee.

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND

As of June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.448450%	0.045972%	0.044604%	0.045631%
District's proportionate share of collective net OPEB liability	$ 1,132,000	$ 1,346,000	$ 1,548,000	$ 1,627,000
State's proportionate share of collective net OPEB liability	$ 907,000	$ 1,087,000	$ 1,334,000	$ 1,329,000
District's covered-employee payroll	$ 2,639,977	$ 2,668,653	$ 2,648,005	$ 2,606,055
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	42.88%	50.44%	58.46%	62.43%
Plan fiduciary net position as a percentage of total OPEB liability	39.05%	32.58%	25.50%	21.18%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND

As of year ended June 30	2021	2020	2019	2018
Contractually required contribution	$ 81,388	$ 79,199	$ 80,059	$ 79,440
Contributions in relation to the contractually required contribution	81,388	79,199	80,059	79,440
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,712,948	$ 2,639,977	$ 2,668,653	$ 2,648,005
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND

As of year ended June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of collective net OPEB liability	$ -	$ -	$ -	$ -
State's proportionate share of collective net OPEB liability	$ 27,000	$ 25,000	$ 23,000	$ 18,000
District's covered-employee payroll	$ 2,639,977	$ 2,668,653	$ 2,648,005	$ 2,606,055
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	71.57%	73.40%	75.00%	79.99%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND

As of year ended June 30	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,712,948	$ 2,639,977	$ 2,668,653	$ 2,648,005
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

Medical Insurance Fund

Changes in benefit terms

No changes.

Changes in assumptions

No changes.

Life Insurance Fund

Changes in benefit terms

No changes.

Changes in assumptions

No changes.

OTHER SUPPLEMENTARY INFORMATION

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	FSPK	SEEK Capital Outlay	Debt Service	Student Activity	Total
ASSETS					
Cash and cash equivalents	$ 151	$ -	$ -	$ 98,371	$ 98,522
Total assets and resources	$ 151	$ -	$ -	$ 98,371	$ 98,522
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	151	-	-	98,371	98,522
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	151	-	-	98,371	98,522
Total liabilities and fund balances	$ 151	$ -	$ -	$ 98,371	$ 98,522

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	FSPK	SEEK Capital Outlay	Debt Service	Student Activity	Total
REVENUES					
From local sources					
Taxes					
Property	$ 37,660	$ -	$ -	$ -	$ 37,660
Other local	-	-	-	87,793	87,793
Earnings on investments	-	-	-	173	173
Intergovernmental - state	210,620	54,210	184,808	-	449,638
Total revenues	248,280	54,210	184,808	87,966	575,264
EXPENDITURES					
Instruction	-	-	-	102,086	102,086
Debt service	-	-	369,225	-	369,225
Total expenditures	-	-	369,225	102,086	471,311
Excess (deficit) of revenues over (under) expenditures	248,280	54,210	(184,417)	(14,120)	103,953
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	184,417	-	184,417
Transfers (out)	(248,280)	(54,210)	-	-	(302,490)
Total other financing sources (uses)	(248,280)	(54,210)	184,417	-	(118,073)
Net change in fund balances	-	-	-	(14,120)	(14,120)
Fund balances, beginning of year	151	-	-	112,491	112,642
Fund balances, end of year	$ 151	$ -	$ -	$ 98,371	$ 98,522

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT GROUPS
ALL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2021
Dawson Springs Junior and Senior High School	$ 98,775	$ 83,289	$ 91,561	$ 90,503	$ -	$ -	$ 90,503
Dawson Springs Elementary	13,716	797	6,645	7,868	-	-	7,868
Totals	$ 112,491	$ 84,086	$ 98,206	$ 98,371	$ -	$ -	$ 98,371

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT GROUPS
SCHOOL ACTIVITY FUNDS – JUNIOR AND SENIOR HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2021
Academic	$ 12	$ -	$ -	$ 12	$ -	$ -	$ 12
Annual Staff	7,114	4,900	4,993	7,021	-	-	7,021
Art Club	817	-	-	817	-	-	817
Athletic	13,286	19,358	20,097	12,547	-	-	12,547
Athletic banners	1,956	-	1,956	-	-	-	-
Back to School Bash	1,065	602	1,573	94	-	-	94
Baseball boosters	1,275	-	1,265	10	-	-	10
Concessions	15,227	8,856	5,824	18,259	-	-	18,259
BETA Club	888	-	-	888	-	-	888
Boys basketball	1,634	2,696	4,302	28	-	-	28
Cheerleading - HS	1,088	-	43	1,045	-	-	1,045
Life skills class	913	858	1,668	103	-	-	103
Field trips	69	-	-	69	-	-	69
Class of 2021	4,298	27,455	31,753	-	-	-	-
Class of 2022	1,684	8,207	5,650	4,241	-	-	4,241
Class of 2023	833	-	-	833	-	-	833
Class of 2024	479	-	-	479	-	-	479
Class of 2025	148	-	-	148	-	-	148
Cokes - HS	929	536	625	840	-	-	840
Cross country	3,080	6,295	4,763	4,612	-	-	4,612
Archery	900	200	495	605	-	-	605
Drama Club	48	-	-	48	-	-	48
Environmental Club	165	-	-	165	-	-	165
Education Fund	5,126	122	730	4,518	-	-	4,518

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT GROUPS
SCHOOL ACTIVITY FUNDS – JUNIOR AND SENIOR HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2021
FBLA	368	-	-	368	-	-	368
FCA	693	-	-	693	-	-	693
Girls' basketball	1,979	850	1,260	1,569	-	-	1,569
Golf	432	4,089	4,390	131	-	-	131
Jr. Beta Club	46	-	-	46	-	-	46
MS Academic	1,148	-	-	1,148	-	-	1,148
MS boys' basketball	2,213	-	-	2,213	-	-	2,213
MS cheerleaders	547	-	-	547	-	-	547
MS girls' basketball	2,615	-	1,324	1,291	-	-	1,291
Media Center	1,493	-	-	1,493	-	-	1,493
Music	4,047	1,365	1,530	3,882	-	-	3,882
Office fund	11,211	6,873	6,069	12,015	-	-	12,015
Project Prom	3,018	2,225	3,614	1,629	-	-	1,629
Softball	2,434	1,466	632	3,268	-	-	3,268
Student awards	152	-	102	50	-	-	50
Track	1,698	462	1,149	1,011	-	-	1,011
STLP	114	-	-	114	-	-	114
Math Club	289	-	-	289	-	-	289
Bass Fishing	1,244	1,200	1,080	1,364	-	-	1,364
Senior Graduation Account	-	1,248	1,248	-	-	-	-
Subtotal	98,775	99,863	108,135	90,503	-	-	90,503
Interfund transfers	-	(16,574)	(16,574)	-	-	-	-
Totals	$ 98,775	$ 83,289	$ 91,561	$ 90,503	$ -	$ -	$ 90,503

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
U.S. Department of Education				
Passed through State Department of Education:				
Special Education Cluster				
Special Education - Grants to States	84.027	3810002-20	$ 93,344	
	84.027	3810002-19	33,754	
Total Special Education - Grants to States				$ 127,098
Special Education - Preschool Grants	84.173	3800002-20	3,348	
	84.173	3800002-19	2,033	5,381
Total Special Education Cluster				132,479
Title I Grants to Local Education Agencies	84.010	3100002-20	320,683	
	84.010	3100002-19	6,875	
	84.010	3100002-17	5,545	
Total Title I Grants to Local Education Agencies				333,103
Vocational Education - Basic Grants to States	84.048	3710002-20	5,301	
	84.048	3710002-19	3,451	
Total Vocational Education - Basic Grants to States				8,752
	84.358	3140002-20	8,490	
Title V Rural and Low Income	84.358	3140002-19	10,355	18,845
Improving Teacher Quality - State Grants	84.367	3230002-19	15,384	15,384
Supporting Effective Instruction - State Grants	84.424	3420002-20	4,335	
	84.424	3420002-19	6,148	
	84.424	3420002-18	7	
Total Supporting Effective Instruction - State Grants				10,490
COVID-19 Education Stabilization Fund Under the Coronavirus	84.425	4000002-20	176,200	
Aid, Relief and Economic Security Act	84.425	GEER-20	31,648	207,848
Total U.S. Department of Education				726,901
U.S. Department of the Treasury				
Passed through State Department of Education				
Coronavirus Relief Fund	21.019	CARES-20		175,612
Total U.S. Department of the Treasury				175,612

Continued

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
U.S. Department of Agriculture				
Passed through State Department of Education:				
Child Nutrition Cluster				
Summer Feeding Program	10.559	7690024-21	23,782	
	10.559	7690024-20	6,677	
	10.559	7740023-21	231,657	
	10.559	7740023-20	65,067	
Total Child Nutrition Cluster				327,183
State Administrative Expenses for Child Nutrition	10.560	7700001-20		995
Other U. S. Department of Agriculture Programs:				
Fresh Fruit and Vegetable Program	10.582	Direct		18,881
Total U.S. Department of Agriculture				347,059
Total Expenditures of Federal Awards				$ 1,249,572

See notes to Schedule of Expenditures of Federal Awards

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Dawson Springs 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* 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 accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Negative amounts 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 – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

NOTE 4 – INDIRECT COST RATE

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

NOTE 5 – COMMODITIES

Nonmonetary assistance is reported in the Schedule at the fair market value of the USDA food commodities received and disbursed.

INTERNAL CONTROL AND COMPLIANCE

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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
Dawson Springs Independent School District
Dawson Springs, 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 Dawson Springs Independent School District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 11, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (item 2021-001).

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing* Standards. In addition, the results of our tests disclosed no material instances of noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements.*

We noted certain matters that we reported to management of Dawson Springs Independent School District in a separate report dated November 11, 2021.

Dawson Springs Independent School District's Response to Findings

Dawson Springs Independent School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Dawson Springs Independent School District's response was not subjected to auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

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

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 11, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Dawson Springs Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Dawson Springs Independent School District's major federal programs for the year ended June 30, 2021. Dawson Springs Independent School 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 statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs**.**

Auditors' Responsibility

Our responsibility is to express an opinion 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance)*;* and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract.* 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 provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Dawson Springs Independent School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 11, 2021

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(ies) identified?	_X_ yes	___ 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 auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	___ yes	_X_ no

Major federal programs:

Program Title	CFDA Number
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425
Coronavirus Relief Fund	21.019

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

Auditee qualified as a low-risk auditee?	_X_ yes	___ no

Continued

FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

2021-01 – Financial Reporting

Condition – There was inadequate design of internal controls over the preparation of the financial statements of the District.

Criteria – Statement on Auditing Standards (SAS 115) states that a control deficiency exists when an entity does not have controls in place which would prevent or detect a misstatement in the financial statements.

Effect – There was an increased risk that controls in place might not prevent, or detect and correct, misstatements in the financial statements.

Cause – Available funds do not allow for such staffing.

Recommendation – The District should designate an individual who possesses suitable skill, knowledge and/or experience to review the financial statements, including footnote disclosures, and take responsibility for these financial statements.

Response – Management outsourced the preparation of their financial statements and the related notes to Duguid, Gentry & Associates, PSC. Management maintained responsibility for the financial statements and related notes and for the establishment of controls over the financial reporting process and acknowledged that outsourcing preparation of the financial statements and related notes does not relieve management of the responsibility for the financial statements. Management provided oversight for the financial statement preparation service by designating an individual within senior management who possesses suitable technical skill, knowledge and experience sufficient to (a) understand the financial statement preparation service enough to be able to provide general direction for the service; (b) understand the key issues the auditor identifies; (c) make any required management decisions and (d) evaluate the adequacy of, and accept responsibility for, the results of the auditor's work.

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

2020-001 – Financial Reporting

Condition – There was inadequate design of internal controls over the preparation of the financial statements of the District.

Recommendation – The District should designate an individual who possesses suitable skill, knowledge and/or experience to review the financial statements, including footnote disclosures, and take responsibility for these financial statements

Current Status – The finding was repeated for the fiscal year ending June 30, 2021.

MANAGEMENT COMMENTS FOR AUDIT

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November 11, 2021

Members of the Board of Education
Dawson Springs Independent School District
Dawson Springs, Kentucky

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

However, during our audit, we became aware of some matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated November 11, 2021, contains our report on the District's internal control. This letter does not affect our report dated November 11, 2021 on the financial statements of the Dawson Springs Independent School District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with District personnel, and their implementation is currently being reviewed. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We performed a follow-up on the prior year finding with the status of these findings documented on page 103 of this report.

This report is intended solely for the information and use of management, the members of the Dawson Springs Independent School District, others within the District, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021

None Noted

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021

DAWSON SPRINGS ELEMENTARY SCHOOL

I. Condition – 3 accounts had no activity during the preceding 12 months and are considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current Status – This finding was repeated as to 6 accounts for fiscal year June 30, 2021.

Views of Responsible Officials – Findings and recommendations have been discussed with bookkeeper to review activity in each account on a regular basis. Redbook procedures will be followed if there is no activity in accounts over a 12 month period.

DAWSON SPRINGS JR/SR HIGH SCHOOL

I. Condition – 5 accounts had no activity during the preceding 12 months and are considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current Status – This finding was repeated as to 18 accounts for fiscal year June 30, 2021.

Views of Responsible Officials – Findings and recommendations have been discussed with bookkeeper to review activity in each account on a regular basis. Redbook procedures will be followed if there is no activity in accounts over a 12 month period.

II. Condition – Multiple fundraisers tested did not have Form F-SA-2A Fundraiser & Crowdfunding Approval.

Recommendation – Form F-SA-2A Fundraiser & Crowdfunding Approval should be completed and approved before the fundraiser begins.

Current Status – This finding was repeated for fiscal year June 30, 2021.

Views of Responsible Officials – Findings and recommendations have been discussed with bookkeeper and principal to ensure all staff request approval from the principal before a fundraiser begins. As Redbook requires, staff members will complete the request using Redbook form F-SA-2A for written.

DAWSON SPRINGS JR/SR HIGH SCHOOL, continued

III. **Condition** – Form F-SA-2B Fundraiser Summary was not completed for multiple fundraisers tested.

Recommendation – When items are sold, the Fundraiser Summary form should be used and completed and approved timely to recap the profitability of a fundraiser sales cycle.

Current Status – This finding was not repeated for fiscal year June 30, 2021.

IV. **Condition** – No Inventory Control Worksheets (F-SA-5) were prepared.

Recommendation – Activities involving inventory for sale should use the Monthly Inventory Control Worksheet (F-SA-5) detailing the beginning and ending inventories, quantities, descriptions, values, units of measure and unit selling prices for each individual activity involving concessions, vending machines sales, bookstore sales and any other stocked items held for resale.

Current Status – This finding was repeated for fiscal year June 30, 2021.

Views of Responsible Officials – Findings and recommendations have been discussed with bookkeeper and staff to ensure monthly inventory is taken for all activities involving items held for resale. Redbook procedures and forms (F-SA-5) will be used to calculate monthly inventory as needed.

V. **Condition** – Three tested Forms F-SA-17 were not completed properly to determine that it was by an individual different than the individual who completed Form F-SA-5.

Recommendation – Form F-SA-17 Sales from Concessions/Bookstore/Pencil Machine should be used each time money is collected from these activities and should be not be completed by the individual who completes Form F-SA-5 Monthly Inventory Control Worksheet.

Current Status – This finding was not repeated for fiscal year June 30, 2021.

APPENDIX C

Dawson Springs Independent School Building Revenue Bonds
Second Series of 2022

Continuing Disclosure Undertaking Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of the 3rd day of August, 2022, by and between the Board of Education of Dawson Springs, Kentucky Independent School District ("Board"); the Dawson Springs 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 $1,740,000 of the Corporation's School Building Revenue Bonds, Second Series of 2022, dated as of August 3, 2022, 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 DAWSON SPRINGS, KENTUCKY INDEPENDENT SCHOOL DISTRICT

Attest:

____
Chairman

____
Secretary

DAWSON SPRINGS INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

Attest:

____
President

____
Secretary

APPENDIX D

Dawson Springs Independent School District Finance Corporation
School Building Revenue Bonds
Second Series of 2022

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$1,740,000*
Dawson Springs Independent School District Finance Corporation
School Building Revenue Bonds, Second Series of 2022
Dated as of August 3, 2022

SALE: July 13, 2022 AT 11:00 A.M., E.D.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Dawson Springs Independent School District Finance Corporation ("Corporation") will until July 13, 2022, at the hour of 11:00 A.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 $175,000.

DAWSON SPRINGS 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 Dawson Springs, 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 HVAC renovations at Dawson Springs High School (the "Project") and are secured by a lien upon and a pledge of the revenues from the rental of the school building property to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2023; 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 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, 2023, 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 $5,394 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 $5,394 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, 2024; 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, 2024. Inter alia, the Budget provides $125,216,700 in FY 2022-23 and $126,719,600 in FY 2023-2024 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. It authorizes $85,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

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 August 3, 2022, payable on February 1, 2023, and semi annually thereafter and shall mature as to principal on August 1 in each of the years as follows:

Year	Amount*	Year	Amount*
2023	$ 25,000	2033	$105,000
2024	30,000	2034	110,000
2025	25,000	2035	115,000
2026	5,000	2036	120,000
2027	30,000	2037	125,000
2028	25,000	2038	130,000
2029	30,000	2039	135,000
2030	90,000	2040	140,000
2031	95,000	2041	150,000
2032	100,000	2042	155,000

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $175,000 which may be applied in any or all maturities.

The Bonds maturing on or after August 1, 2031 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after August 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 February 1 and August 1 of each year, beginning February 1, 2023 (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 $1,705,200 (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 $1,740,000 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 $175,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $1,565,000 or a maximum of $1,915,000. 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 $1,740,000 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 July 13, 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 August 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, 2024

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.

The General Assembly recently adopted a budget for the biennial period ending June 30, 2024 which was approved and signed by the Governor. Such budget becomes effective beginning July 1, 2022. 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, Dawson Springs Independent Board of Education, 118 E. Arcadia Avenue, Dawson Springs, Kentucky 42408 (270-797-3811).

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.

DAWSON SPRINGS INDEPENDENT
SCHOOL DISTRICT FINANCE CORPORATION

By /s/ Leonard Whalen
Secretary

APPENDIX E

Dawson Springs Independent School District Finance Corporation
School Building Revenue Bonds
Second Series of 2022

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Dawson Springs Independent School District Finance Corporation ("Corporation" or "Issuer"), will until 11:00 A.M., E.D.S.T., on July 13, 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 $1,740,000 School Building Revenue Bonds, Second Series of 2022, dated August 3, 2022; maturing August 1, 2023 through 2042 ("Bonds").

We hereby bid for said $1,740,000* principal amount of Bonds, the total sum of $_______________ (not less than $1,705,200) plus accrued interest from August 3, 2022 payable February 1, 2023 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 August 1 in the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2023	$ 25,000	_________%	2033	$105,000	_________%
2024	30,000	_________%	2034	110,000	_________%
2025	25,000	_________%	2035	115,000	_________%
2026	5,000	_________%	2036	120,000	_________%
2027	30,000	_________%	2037	125,000	_________%
2028	25,000	_________%	2038	130,000	_________%
2029	30,000	_________%	2039	135,000	_________%
2030	90,000	_________%	2040	140,000	_________%
2031	95,000	_________%	2041	150,000	_________%
2032	100,000	_________%	2042	155,000	_________%

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $1,915,000 of Bonds or as little as $1,565,000 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 July 13, 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 August 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 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 August 3, 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 August 3, 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 Dawson Springs 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: July 13, 2022

____
RSA Advisors, LLC,
As Agent for Dawson Springs Independent
School District Finance Corporation