PRELIMINARY OFFICIAL STATEMENT

DATED APRIL 17, 2023

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

RATING
Moody's: " "

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.

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; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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)

$4,180,000
WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES OF 2023

Dated with Delivery: MAY 16, 2023 **Due: as shown below**

Interest on the Bonds is payable each November 1 and May 1, beginning November 1, 2023. The Bonds will mature as to principal on May 1, 2024, 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-May	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-May	Amount*	Interest Rate	Reoffering Yield	CUSIP
2024	$25,000	%	%		2037	$35,000	%	%	
2025	$25,000	%	%		2038	$35,000	%	%	
2026	$25,000	%	%		2039	$35,000	%	%	
2027	$25,000	%	%		2040	$35,000	%	%	
2028	$25,000	%	%		2041	$35,000	%	%	
2029	$25,000	%	%		2042	$35,000	%	%	
2030	$25,000	%	%		2043	$540,000	%	%	
2031	$30,000	%	%		2044	$560,000	%	%	
2032	$30,000	%	%		2045	$590,000	%	%	
2033	$30,000	%	%		2046	$615,000	%	%	
2034	$30,000	%	%		2047	$640,000	%	%	
2035	$30,000	%	%		2048	$670,000	%	%	
2036	$30,000	%	%						

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

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

The Bonds constitute a limited indebtedness of the Williamstown 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 Williamstown Independent Board of Education.

The Williamstown Independent (Kentucky) School District Finance Corporation will until April 25, 2023, 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.

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

WILLIAMSTOWN INDEPENDENT
BOARD OF EDUCATION

Angie Cleveland, Chairperson
Chris Spivey, Member
Roy Osborne, Member
Chris Lawrence, Member
Kristie Willoby, Member

John Slone, Superintendent/Secretary

WILLIAMSTOWN INDEPENDENT (KENTUCKY) SCHOOL DISTRICT
FINANCE CORPORATION

Angie Cleveland, President
Chris Spivey, Member
Roy Osborne, Member
Chris Lawrence, Member
Kristie Willoby, Member

John Slone, Secretary
Kacie Peer, 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 Williamstown Independent School District Finance Corporation School Building Revenue Bonds, Series of 2023, 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

$4,180,000*

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2023

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which Williamstown Independent School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2023 (the "Bonds").

The Bonds are being issued to finance improvements to Williamstown Independent School building (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 school building Projects (as hereinafter defined) to the Williamstown 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 Williamstown Independent Board of Education from its records, except for information expressly attributed to other sources. The presentation of financial and other information is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

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

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Lease Agreement, dated May 16, 2023, 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 $1,971 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 through May 1, 2043, 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
2012-REF	$1,235,000	$60,000	$997,636	$237,364	2.250%	2024
2015-REF	$1,820,000	$620,000	$1,621,703	$198,297	2.350% - 2.500%	2026
2015	$2,040,000	$1,540,000	$781,884	$1,258,116	2.500% - 3.750%	2035
2016-REF	$5,410,000	$2,895,000	$2,716,276	$2,693,724	2.000%	2027
2019-REF	$1,040,000	$885,000	$1,003,021	$36,979	2.500%	2029
2022	$10,645,000	$10,600,000	$9,946,008	$698,992	3.000% - 3.625%	2042
TOTALS:	$22,190,000	$16,600,000	$17,066,528	$5,123,472		

AUTHORITY

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

i) the issuance of approximately $4,180,000 of Bonds subject to a permitted adjustment of $420,000;

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 May16, 2023, will bear interest from that date as described herein, payable semi-annually on November 1 and May 1 of each year, commencing November 1, 2023, and will mature as to principal on May 1, 2024, 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 November 1 and May 1 of each year, beginning November 1, 2023 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after May 1, 2032, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after May 1, 2031, 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
May 1, 2031, 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 school building Projects financed from the Bond proceeds from the Corporation to the Board. The Bonds are secured by a pledge of revenue on and from the school building Projects; 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 improve the school building(s) constituting the Project (the "Parity Bonds").

The Lease; Pledge of Rental Revenues

The Board has leased the school building Project securing the Bonds for an initial period from May 16, 2023, 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 May1, 2048, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for annual participation equal to approximately $1,971 from the Commission's appropriation by the Kentucky General Assembly which will be used to meet all of the debt service of the Bonds. <u>The plan for financing the Project will require the Commission to pay approximately one percent (1%) of the debt service of the Bonds.</u>

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 May 1, 2043, 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 improvements to the Williamstown Independent Schools building (the "Project").

The Board has reported construction bids have been let for the Project and award of 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.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

Kentucky statutes, and the regulations of the Kentucky Department of Education ("KDE") issued thereunder, generally require that a local school district submit to KDE for its prior approval the district's plans for the funding, financing, design, construction, renovation, and modification of school facilities. House Bill 678 of the 2022 Regular Session of the Kentucky General Assembly (2022 Ky. Acts, Ch. 185, hereinafter referred to as "HB 678"), enacted and effective April 8, 2022, eliminates until June 30, 2024 this requirement of prior approval for local school districts which elect by resolution to proceed without such prior approval and which so notify the Department. The District has adopted such a resolution and has so notified KDE.

Notwithstanding HB 679, KDE's supervision of local school districts continues to apply other areas of local school finance, including supervision of general operations such as the examination of business methods and accounts of a school district, requirements of prompt, detailed reports of receipts and expenditures and the annual approval of the district's operating budget. All local school boards which have entered into contracts for the issuance of bonds must maintain insurance protection in an amount equal to the full insurable value of the buildings financed by the bonds. <u>This State Department of Education supervision and control is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in payment of its revenue bonds for school purposes.</u>

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet approximately 99% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	---- Series 2022 School Building Revenue Bonds ----- Principal Portion	Interest Portion	Total Payment	SFCC Portion	Local Portion	Total Local Bond Payments
2023	$984,675						$984,675
2024	$992,505	$25,000	$174,996	$199,996	$1,971	$198,025	$1,190,530
2025	$991,042	$25,000	$181,755	$206,755	$1,971	$204,784	$1,195,826
2026	$994,660	$25,000	$180,943	$205,943	$1,971	$203,972	$1,198,631
2027	$992,122	$25,000	$180,130	$205,130	$1,971	$203,159	$1,195,281
2028	$983,468	$25,000	$179,318	$204,318	$1,971	$202,347	$1,185,814
2029	$982,660	$25,000	$178,505	$203,505	$1,971	$201,534	$1,184,194
2030	$982,138	$25,000	$177,693	$202,693	$1,971	$200,722	$1,182,860
2031	$980,850	$30,000	$176,868	$206,868	$1,971	$204,897	$1,185,747
2032	$982,331	$30,000	$175,863	$205,863	$1,971	$203,892	$1,186,222
2033	$982,869	$30,000	$174,843	$204,843	$1,971	$202,872	$1,185,740
2034	$982,457	$30,000	$173,808	$203,808	$1,971	$201,837	$1,184,293
2035	$984,244	$30,000	$172,728	$202,728	$1,971	$200,757	$1,185,000
2036	$984,337	$30,000	$171,603	$201,603	$1,971	$199,632	$1,183,968
2037	$983,237	$35,000	$170,433	$205,433	$1,971	$203,462	$1,186,698
2038	$984,718	$35,000	$169,015	$204,015	$1,971	$202,044	$1,186,762
2039	$919,093	$35,000	$167,563	$202,563	$1,971	$200,592	$1,119,685
2040	$919,693	$35,000	$166,093	$201,093	$1,971	$199,122	$1,118,815
2041	$918,155	$35,000	$164,605	$199,605	$1,971	$197,634	$1,115,789
2042	$920,531	$35,000	$163,100	$198,100	$1,971	$196,129	$1,116,660
2043		$540,000	$161,560	$701,560	$1,971	$699,589	$699,589
2044		$560,000	$137,800	$697,800		$697,800	$697,800
2045		$590,000	$112,880	$702,880		$702,880	$702,880
2046		$615,000	$86,625	$701,625		$701,625	$701,625
2047		$640,000	$58,950	$698,950		$698,950	$698,950
2048		$670,000	$30,150	$700,150		$700,150	$700,150
TOTALS:	$19,445,785	$4,180,000	$3,887,821	$8,067,821	$39,420	$8,028,401	$27,474,186

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	$4,180,000.00
Total Sources	$4,180,000.00
Uses:	
Deposit to Construction Fund	$4,050,830.00
Underwriter's Discount (2%)	83,600.00
Cost of Issuance	45,570.00
Total Uses	$4,180,000.00

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	642.1	2011-12	820.5
2001-02	685.7	2012-13	825.8
2002-03	724.7	2013-14	800.8
2003-04	721.8	2014-15	797.7
2004-05	799.9	2015-16	765.4
2005-06	831.3	2016-17	759.3
2006-07	815.5	2017-18	750.0
2007-08	815.5	2018-19	735.9
2008-09	791.8	2019-20	744.5
2009-10	818.2	2020-21	764.1
2010-11	826.4	2021-22	786.5
		2022-23	786.5

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 Williamstown Independent School District for certain preceding school years.

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	64,210.0	2011-12	82,048.6
2001-02	68,570.0	2012-13	82,580.5
2002-03	72,470.0	2013-14	80,080.1
2003-04	72,180.0	2014-15	79,766.5
2004-05	79,990.0	2015-16	76,543.3
2005-06	83,130.0	2016-17	75,930.0
2006-07	81,550.0	2017-18	74,997.7
2007-08	81,550.0	2018-19	73,590.0
2008-09	79,184.0	2019-20	74,450.0
2009-10	81,821.9	2020-21	76,414.0
2010-11	82,635.6	2021-22	78,649.4
		2022-23	78,649.4

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 $46,350 effective January 1, 2023.

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	73.6	132,880,415	978,000
2001-02	69.8	135,397,244	945,073
2002-03	77.9	132,653,101	1,033,368
2003-04	77.9	139,837,375	1,089,333
2004-05	81.8	149,977,960	1,226,820
2005-06	83.7	150,240,740	1,257,515
2006-07	87.9	154,840,475	1,361,048
2007-08	83.7	162,823,866	1,362,836
2008-09	87.2	164,048,364	1,430,502
2009-10	87.2	169,717,454	1,479,936
2010-11	98.3	173,559,959	1,706,094
2011-12	100.1	165,777,825	1,659,436
2012-13	100.7	169,282,897	1,704,679
2013-14	96.1	165,344,381	1,588,960
2014-15	101.3	169,091,040	1,712,892
2015-16	103.8	169,485,081	1,759,255
2016-17	103.4	171,108,854	1,769,266
2017-18	98.7	172,951,228	1,707,029
2018-19	102.9	181,872,602	1,871,469
2019-20	98.7	183,362,764	1,809,790
2020-21	95	208,734,865	1,982,981
2021-22	92.5	222,181,617	2,055,180
2022-23	87.6	265,249,849	2,323,589

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Williamstown Independent School District or other issuing agency within the County as reported by the State Local Debt Officer for the period ending June 30, 2022.

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	73.6	132,880,415	978,000
2001-02	69.8	135,397,244	945,073
2002-03	77.9	132,653,101	1,033,368
2003-04	77.9	139,837,375	1,089,333
2004-05	81.8	149,977,960	1,226,820
2005-06	83.7	150,240,740	1,257,515
2006-07	87.9	154,840,475	1,361,048
2007-08	83.7	162,823,866	1,362,836
2008-09	87.2	164,048,364	1,430,502
2009-10	87.2	169,717,454	1,479,936
2010-11	98.3	173,559,959	1,706,094
2011-12	100.1	165,777,825	1,659,436
2012-13	100.7	169,282,897	1,704,679
2013-14	96.1	165,344,381	1,588,960
2014-15	101.3	169,091,040	1,712,892
2015-16	103.8	169,485,081	1,759,255
2016-17	103.4	171,108,854	1,769,266
2017-18	98.7	172,951,228	1,707,029
2018-19	102.9	181,872,602	1,871,469
2019-20	98.7	183,362,764	1,809,790
2020-21	95	208,734,865	1,982,981
2021-22	92.5	222,181,617	2,055,180

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
2022-23 SEEK	3,772,962	2,323,589	6,096,551
2021-22 SEEK	3,823,722	2,055,180	5,878,902
2020-21 SEEK	3,582,768	1,982,981	5,567,749
2019-20 SEEK	3,740,103	1,809,790	5,549,893
2018-19 SEEK	3,708,772	1,871,469	5,580,241
2017-18 SEEK	3,781,527	1,707,029	5,488,556
2016-17 SEEK	3,876,027	1,769,266	5,645,293
2015-16 SEEK	3,842,973	1,759,255	5,602,228
2014-15 SEEK	3,898,010	1,712,892	5,610,902
2013-14 SEEK	3,875,010	1,588,960	5,463,970
2012-13 SEEK	4,034,468	1,704,679	5,739,147
2011-12 SEEK	3,923,595	1,659,436	5,583,031
2010-11 SEEK	3,711,142	1,706,094	5,417,236
2009-10 SEEK	3,610,641	1,479,936	5,090,577
2008-09 SEEK	3,865,579	1,430,502	5,296,081
2007-08 SEEK	3,887,012	1,362,836	5,249,848
2006-07 SEEK	3,574,657	1,361,048	4,935,705
2005-06 SEEK	3,508,831	1,257,515	4,766,346
2004-05 SEEK	3,064,029	1,226,820	4,290,849
2003-04 SEEK	2,894,703	1,089,333	3,984,036
2002-03 SEEK	2,677,622	1,033,368	3,710,990
2001-02 SEEK	2,305,026	945,073	3,250,099
2000-01 SEEK	2,089,190	978,000	3,067,190

(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 $0.8760 for FY 2022-23. 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. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15 percent of the adjusted financial statement income on certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the minimum tax. 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 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

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

Financial information regarding the Board may be obtained from Superintendent, Williamstown Independent Board of Education, 300 Helton Street, Williamstown, Kentucky, 41097. Telephone (859) 824-7144.

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. However, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minium tax imposed on corporations for tax years beginning after December 31, 2022.

(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, 2023, 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 may be 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") may be 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.

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 Williamstown 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 Williamstown 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 Williamstown 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

Williamstown Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2023

Demographic and Economic Data

WILLIAMSTOWN, KENTUCKY

Williamstown, the county seat of Grant County had an estimated 2022 population of 3,965. Williamstown is located in northern Kentucky and is 42 miles south of Cincinnati, Ohio; 46 miles north of Lexington, Kentucky; and 87 miles northeast of Louisville, Kentucky. Grant County had an estimated population of 25,568 persons in 2022.

The Economic Framework

In 2022, Williamstown had a labor force of 1,720. The top 5 jobs by occupation were as follows: Office and Administrative Support - 265 (13.07%); Education, Training/Library - 221 (10.9%); Health Diagnosing and Treating Practitioners - 183 (9.03%); Sales - 174 (8.58%); and Production Workers - 151 (7.45%).

Transportation

Interstate 75 runs through Grant County. The nearest commercial airline service is the Cincinnati-Northern Kentucky International Airport, which is located 42 miles north of Williamstown.

Power and Fuel

Electric power is provided to Grant County by Duke Energy Kentucky, E.ON US – KU, the East Kentucky Power Cooperative, Blue Grass Energy Cooperative, Owen Electric Cooperative Inc. and the Williamstown Utility Commission. Natural gas services are provided by Duke Energy Kentucky.

Education

The Grant County School System and the Williamstown Independent School System provides primary and secondary education to residents of Grant County. There are 54 colleges and universities and 14 technology centers (ATC) within 60 miles of Williamstown.

LABOR MARKET STATISTICS

The Williamstown Labor Market Area includes Boone, Bourbon, Campbell, Fayette, Franklin, Gallatin, Grant, Harrison, Kenton, Owen, Pendleton, Scott and Woodford counties in Kentucky, and Hamilton County in Ohio.

Population

	-----------------------Estimate Year-----------------------				
Description	**2018**	**2019**	**2020**	**2021**	**2022**
Grant County	25,025	24,974	25,181	25,279	25,568
Williamstown	3,915	3,913	3,926	3,912	3,965

Source: Kentucky Cabinet for Economic Development..

Population Projections

Description	2025	2030	2035
Grant County	24,758	24,595	24,377

Source: Kentucky State Data Center, University of Louisville.

LOCAL GOVERNMENT

Structure

Williamstown's local government structure consists of a mayor and five council members. The mayor serves a four-year term while the council members serve two-year terms. Grant County is served by a judge/executive and three magistrates. The judge executive and magistrates are elected to serve a four-year term.

Planning and Zoning

Mandatory state codes enforced–Kentucky Plumbing Code, National Electric Code, Kentucky Boiler Regulations and Standards, Kentucky Building Code (modeled after BOCA code).

Sales and Use Tax

A state sales and use tax is levied at the rate of 6.0% on the purchase or lease price of taxable goods and on utility services. Local sales taxes are not levied in Kentucky.

State and Local Property Taxes

The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside the city limits may also be subject to city property taxes. Property assessments in Kentucky are at 100% fair cash value. Accounts receivable are taxed at 85% of face value. Special local taxing jurisdictions (fire protection districts, watershed districts and sanitation districts) levy taxes within their operating areas (usually a small portion of community or county).

EDUCATION

Public Schools

	Williamstown Independent Schools	Grant County Schools
Total Enrollment (2021-2022)	779	3,272
Pupil-Teacher Ratio	15 - 1	16 - 1

Vocational Training

Vocational training is available at both the state vocational-technical schools and the area vocational education centers. The state vocational-technical schools are post-secondary institutions. The area vocational education centers are designed to supplement the curriculum of high school students. Both the state vocational-technical schools and the area vocational education centers offer evening courses to enable working adults to upgrade current job skills.

Arrangements can be made to provide training in the specific production skills required by an industrial plant. Instruction may be conducted either in the vocational school or in the industrial plant, depending upon the desired arrangement and the availability of special equipment.

Bluegrass State Skills Corporation

The Bluegrass State Skills Corporation, an independent public corporation created and funded by the Kentucky General Assembly, provides programs of skills training to meet the needs of business and industry from entry level to advanced training, and from upgrading present employees to retraining experienced workers.

The Bluegrass State Skills Corporation is the primary source for skills training assistance for a new or existing company. The Corporation works in partnership with other employment and job training resources and programs, as well as Kentucky's economic development activities, to package a program customized to meet the specific needs of a company.

Vocational School	Location	Enrollment 2021-22
Boone County ATC	Hebron, KY	216
Campbell County ATC	Alexandria, KY	341
Carroll County ATC	Carrollton, KY	292
Clark County ATC	Winchester, KY	541
Four Rivers Career Academy	Hickman, KY	189
Harrison County ATC	Cynthiana, KY	463
Mason County ATC	Maysville, KY	206
Montgomery County ATC	Mt. Sterling, KY	366
Shelby County ATC	Shelbyville, KY	412

Source: Kentucky Department of Education

Colleges & Universities

School Name	Location	Undergraduate Enrollment Fall 2021
Asbury University	Wilmore, KY	1,472
Georgetown College	Georgetown, KY	1,259
Kentucky State University	Frankfort, KY	2,135
Midway University	Midway, KY	1,618
Northern KY University	Highland Heights, KY	10,814
Thomas More College	Crestview Hills, KY	1,836
Transylvania University	Lexington, KY	971
University of Kentucky	Lexington, KY	21,900

Source: U.S. News & World Report

EXISTING INDUSTRY

Firm	**Product**	**Total Employed**
Crittenden		
Chas Wagner Enterprises dba The Case Center	Resell and distributes reusable shipping and carrying cases, packaging items, cuts custom foam	2
Dinovite	Pet food	19
Miami Valley Paper Tube Co	Spiral wound paper tubes	25
Wolf Steel USA Inc	Manufacture gas fireplaces, distribution center	71
Dry Ridge		
Dana Light Axle Manufacturing LLC	Assemble light truck axles	359
Grant County Foods	Food distribution	85
Gusher Pumps Inc	Industrial centrifugal pump	25
Kinmon Steel Co. LLC	Material supplier/manufacturing, CNC machining, production machining	7
SRM Concrete	Ready-mixed concrete	12
Williamstown		
Gotec Plus Sun LLC	Prep & coat automotive parts for rubber bonding	56
Gusher Pumps	Assembly, stocking & distribution of industrial centrifugal pumps	37
MGPI of Indiana, LLC	Contract food & beverage company specializing in distilled spirits & warehousing	4

Source: Kentucky Cabinet for Economic Development (1/7/2020).

APPENDIX B

Williamstown Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2023

Audited Financial Statement ending June 30, 2022

WILLIAMSTOWN INDEPENDENT BOARD OF EDUCATION

FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION
And
INDEPENDENT AUDITOR'S REPORTS

Year Ended June 30, 2022

Denise M. Keene
Certified Public Accountant
P.O. Box 1444
Georgetown, Kentucky 40324
859-421-5062

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DENISE M KEENE
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1444
GEORGETOWN, KENTUCKY 40324
859-421-5062

INDEPENDENT AUDITOR'S REPORT

State Committee For School District Audits
Members of the Board of Education
Williamstown Independent Board of Education
Williamstown, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Williamstown Independent Board of Education as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 14 and budgetary comparison information on pages 63 and 64 ; the Schedules of Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions on pages 65 and 66 ; the Schedule of Proportionate Share of the Net OPEB Liability and Schedule of OPEB Contributions on pages 67 and 68, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combing and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

During the year, the Board adopted the new suite of Statements of Auditing Standards (SAS) numbers 134 through 140. As described in Note T to the financial statements, the Board adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated September 9, 2022 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Denise M. Keene

Denise M. Keene, CPA
Georgetown, Kentucky
September 9, 2022

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
WILLIAMSTOWN, KENTUCKY

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

As management of the Williamstown 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, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

The beginning cash balance for the District was $3,155,619.
The ending cash balance for the District was $13,429,382.

The General Fund had $7,575,808 in revenue, which primarily consisted of the state program (SEEK), property, utilities, and motor vehicle taxes. Excluding inter-fund transfer, there were $7,362,222 in General Fund expenditures. This includes on-behalf payments.

All employees received step and/or rank increases based on the salary schedules plus a 1% salary increase. All employees were given a $500 one time pay in December 2021.

The district continues to employ an SRO. This is in partnership with the Grant County Sheriff's Department and mostly paid for by Safe School Funds with the help of the General Fund.

This year the district hired an Assistant Principal at the Jr/Sr High School and Math Interventionists were added to Williamstown Elementary and Williamstown Jr/Sr High School. A Jr/Sr High Teacher was also added this school year.

The district employed a full time Public Relations person to help spread the good news taking place in Williamstown Independent Schools. In addition, we contracted with The Think Shop to help provide services around public relations.

The district broke ground on a 10 million dollar construction project that will include a new auditorium and board office along with other renovations to HVAC and lighting.

The district paid for a curriculum coach to work throughout the district.

This was the third year for the 21st Century Afterschool Learning Program. The program served an average of 65 students in grades K-5. The 21st Century Grant is a three-year grant totaling $450,000 with the continuation grant being awarded for years 4 and 5. The amount received for this school year was $125,000.

The District replaced all of the Jr/Sr High School projectors with VIBE boards. This was a cost of approximately $70,000. Some of the funds to purchase the boards came from the ESSER II state set aside funds.

The district replaced over 430 chromebooks to be used for students. The district purchased chromebooks throughout the year to replace broken or outdated equipment. The district is a 1:1 district with every student having access to a chromebook. General Fund dollars as well as Title Funds and ESSER funds help support the purchase of these technology resource.

The District continues to support site licenses for programs to provide resources for students. This includes an on-line curriculum (Edgenuity), and delivery software programs.

The District continues to support students when students participate in state and national level events. FCCLA and FFA along with athletic teams cost the district approximately $75,000 to support their travel and other expenses.

The Board of Education took the 4% tax rate for FY'22 and increased the rate to 88.7 from 87.5. This provided the district an additional $156,664.

The District continues to participate in "Crayons to Computers" saving the District money on school supplies.

The District had one retiree for FY 2022, but no sick leave was needed to be paid out.

The District gives a band allocation of $20,000.00.

Due to a decrease in state preschool funding, the district budgets $25,000 to support the preschool program.

Enrollment across the district has remained steady form FY' 21.

The district received $1,277,231 in ARP ESSER funds. These funds have been utilized to respond to and recover from the COVID 19 pandemic, which include additional personnel, training, and supplies.

The District continues to fund a full time (K-12) athletic director position.

The District is implementing components of Senate Bill 1 and hired a new school counselor with additional funds being allocated for mental health from the legislature. This puts us at 3 counselors for the district.

The District employed a Success Coach with the GEER II FRYSC funding. This is a two year grant.

Food Service was given additional federal funds due to supply chain issues and cost of food.

Williamstown Jr/Sr High School started a Horticulture and Plant Science pathway utilizing the Greenhouse bought with grant funds.

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) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.
The district-wide financial statements can be found on pages 15 and 16 of this report.

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

The basic governmental fund financial statements can be found on pages 17-23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 24-61 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by $1,674,540 as of June 30, 2022.

The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Net position for the period ending June 30, 2021 and 2022

2022 District-wide net position compared to 2021 are as follows:

Net Position (in thousands)

	Governmental		**Business-type**		**Total**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets	$25,751	$15,418	$1,059	$906	$26,810	$16,324
Deferred Outflows of Resources	$1,753	$1,772	$169	$192	$1,922	$1,964
Liabilities	$23,832	$14,827	$661	$810	$24,493	$15,637
Deferred Inflows of Resources	$1,998	$1,108	$188	$81	$2,186	$1,189
Investment in Capital Assets (net of debt)	($5,561)	$3,984	$750	$821	($4,811)	$4,805
Restricted	10,186	738	(371)	(614)	9,815	124
Unrestricted	(2,951)	(3,467)	0	0	(2,951)	(3,467)
Total Net Position	$1,674	1,255	$379	$207	$2,053	$1,462

Budgetary Implications

In Kentucky the public school fiscal year is July 1 - June 30; other programs, i.e. some federal operate on a different fiscal year, but are reflected in the district overall budget. By law the budget must have a minimum 2 percent contingency. The district adopted a budget with $500,001 in contingency, which is 5.8 percent.

Comments on Budget Comparisons

The original budget was amended to reflect changes in the site based allocations and anticipated revenues. The changes made were based on more accurate data being available after the first couple of months of the fiscal year.

	Changes in Net Position (in thousands)					
	Governmental		Business-type		Total	
Revenues	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Local Revenue Sources	$2,418	$2,451	$35	$18	$2,453	$2,469
State Revenue Sources	7,180	7,062	64	63	7,244	7,125
Federal Revenue Sources	2,592	2,166	894	509	3,486	2,675
Investments	6	4	0	0	6	4
Total Revenues	12,196	11,683	993	590	13,189	12,273
Expenses						
Instruction	6,738	6,648			6,738	6,648
Student Support Services	653	626			653	626
Instructional Support	705	582			705	582
District Administration	372	353			372	353
School Administration	468	368			468	368
Business Support	488	321			488	321
Plant Operations	934	898			934	898
Student Transportation	551	460			551	460
Community Support	257	250			257	250
Food Service	5	8	818	806	823	814
Facilities	392				392	0
Debt Service	192	164			192	164
Total Expenses	11,755	10,678	818	806	12,573	11,484
Loss on Assets	(22)	(5)	(3)	(1)	(25)	(6)
Transfers	0	40	0	(40)	0	0
Change in Net Position	419	1,041	172	(257)	591	784
Beginning Net Position	1,255	214	207	464	1,462	678
Ending Net Position	$1,674	$1,255	$379	$207	$2,053	$1,462

The government's overall financial position and results of operations increased as a result of the year's operations as reflected in the increase in net position for the year.

INFRASTRUCTURE

The District has not reported any infrastructure in the current financial statements.

Analysis of balances and transactions of individual funds (in thousands)

Fund	Beginning	Revenues	Expenses	Transfer	Ending
General Fund	$2,739	$7,576	$7,362	$72	$3,025
Special Revenue	$0	$2,929	$2,857	($72)	$0
District Activity Fund	$127	$121	$148	$0	$100
School Activity Fund	$69	$169	$164	$0	$74
Capital Outlay	$0	$79	$0	($79)	$0
Building	$0	$894	$0	($585)	$309
Construction	$504	$10,645	$1,493	$0	$9,656
Debt Service	$1	$429	$1,093	$664	$1

Capital Assets and Long-Term Debt Activity (in thousands)

Governmental	Beginning	Additions	Deductions	Ending
Capital Assets	$22,886	$1,101	$182	$23,805
Accumulated Depreciation	$11,014	$796	$161	$11,649
Business-Type				
Capital Assets	$1,608	$0	$21	$1,587
Accumulated Depreciation	$787	$69	$18	$838
Bonds Payable	$7,845	$10,645	$915	$17,575
Capital Leases Payable	$578	$0	$107	$471
Sick Leave Payable	$69	$11	$0	$80

CURRENT ISSUES

Enrollment for the start of the 22-23 school year could vary due to HB 563 that is effective on July 1, 2022.

The district loses staff to larger districts due to salary and distance to home. Fewer teachers live in the area causing them to commute 20 or more miles. The district continues to give step and/or rank salary increases, but it is unattainable to match salaries of larger districts to our North and South.

The District did approve a 2% salary increase for all employees for FY'23.

The cost of fuel increasing is a concern for the budget.

Additional funding was granted for the SB 1 school counselor component.

The district would like to upgrade the surveillance system by adding additional cameras or upgrading current cameras.

The schools/district will continue allocating funds for technology as chromebooks break/need to be replaced and updated.

The district will continue utilizing general fund dollars to support the preschool program since the state has cut funding and there is a decrease of preschool age students who qualify for the program.

The district must put forth funds for professional learning and instructional materials as these continue to be cut from the state allocations.

The district is collaborating with NorthKey and Counseling and Diagnostics to provide additional counseling resources and will utilize district funds (up to $25,000) for students who cannot afford the copay for services.

The District continues to support the Air & Space Academy, Agriculture Program, Family and Consumer Sciences at Williamstown High School to increase career pathways. Williamstown Jr/Sr High School is adding a Business position for FY'23.

The District would like to obtain items such as a soccer field/track, to enhance student opportunities in the future. The District is embarking on a significant building project, but was unable to fund the additional alternate.

Williamstown Elementary School is getting an Assistant Principal position for FY'23.

Williamstown Elementary School received an additional allocation for STEAM position.

Williamstown Jr/Sr High School received an additional allocation fo the purpose of a PASS/PALS program.

We will continue to monitor salary schedules to be competitive in order to obtain high quality staff in all departments. However, we are certain we cannot match the larger districts to our North and South. The board continues to look for ways to raise teacher salaries.

The board will look at the tax rates to determine the most effective approach.

The district continues to look for ways to attract people for hard to find positions such as teachers, bus drivers, substitute teachers, and assistants.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Board's finances and to reflect the Board's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to the Superintendent, Sally Skinner, or to the Treasurer, LeAnn Collins, 859-824-7144, or by mail at 300 Helton Street, Williamstown, Ky 41097.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
DISTRICT WIDE
As of June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents - Note C	$13,148,269	$281,113	$13,429,382
Accounts receivable	447,996	8,605	456,601
Inventory		19,806	19,806
Capital assets			
Land and construction in progress	95,130		95,130
Other capital assets, net of depreciation	12,060,152	749,449	12,809,601
Total capital assets	12,155,282	749,449	12,904,731
TOTAL ASSETS	$25,751,547	$1,058,973	$26,810,520
DEFERRED OUTFLOWS OF RESOURCES			
Deferred ouflows from pension contributions	$262,530	$46,605	$309,135
Deferred ouflows from pension changes, expectations	223,639	36,739	260,378
Deferred outflows from OPEB contributions	162,071	12,725	174,796
Deferred outflows from OPEB changes, expectations	810,460	72,687	883,147
Subtotal Deferred outflows from pension and OPEB	1,458,700	168,756	1,627,456
Deferred outflows from advanced bond refundings	293,816		293,816
Total Deferred outflows	$1,752,516	$168,756	$1,921,272
LIABILITIES			
Accounts payable	$345,765	$	$345,765
Unearned revenues	85,839		85,839
Interest payable	84,875		84,875
Long-term Liabilities			
Due within 1 year	1,084,363		1,084,363
Due in more than 1 year	17,041,602		17,041,602
OPEB Liability	2,094,107	152,634	2,246,741
Pension Liability	3,094,962	508,440	3,603,402
TOTAL LIABILITIES	$23,831,513	$661,074	$24,492,587
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pension	$626,949	$102,995	$729,944
Deferred inflows from OPEB	1,371,061	85,107	1,456,168
TOTAL DEFERRED INFLOWS OF RESOURCES	$1,998,010	$188,102	$2,186,112
NET POSITION			
Net investment in capital assets	($5,561,396)	$749,449	(4,811,947)
Restricted			
Food Service		309,524	309,524
Other	489,443	(680,420)	(190,977)
Accrued sick leave	40,077		40,077
SFCC	72		72
Future Construction Projects	9,656,285		9,656,285
Debt Service	590		590
Unrestricted	(2,950,531)		(2,950,531)
TOTAL NET POSITION	$1,674,540	$378,553	$2,053,093

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
DISTRICT WIDE
For the year ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Instruction	$6,738,260	$90,646	$1,978,732		($4,668,882)	$	($4,668,882)
Support services:							
Student	653,255		115,199		(538,056)		(538,056)
Instruction staff	705,290		117,824		(587,466)		(587,466)
District administrative	371,558		116,781		(254,777)		(254,777)
School administrative	467,934				(467,934)		(467,934)
Business	487,768		53,954		(433,814)		(433,814)
Plant operation and maintenance	933,700		89,460		(844,240)		(844,240)
Student transportation	551,102		191,830		(359,272)		(359,272)
Food Service	5,369				(5,369)		(5,369)
Facilities	391,840				(391,840)		(391,840)
Community service activities	256,845		254,662		(2,183)		(2,183)
Interest on long-term debt	192,123		10,355	68,305	(113,463)		(113,463)
Total governmental activities	11,755,044	90,646	2,928,797	68,305	(8,667,296)		(8,667,296)
Business-type Activities							
Food service	818,186	34,988	957,151			173,953	173,953
Total business-type activities	818,186	34,988	957,151			173,953	173,953
Total school district	$12,573,230	$125,634	$3,885,948	$68,305	($8,667,296)	$173,953	($8,493,343)

	Governmental Activities	Business-type Activities	Total
General Revenues			
Property taxes	$1,631,336		$1,631,336
Motor Vehicle taxes	149,718		149,718
Utility taxes	199,117		199,117
State aid-formula grants	6,782,613		6,782,613
Federal reimbursements	15,351		15,351
Investment earnings	6,017	158	6,175
Loss on sale of assets	(21,619)	(2,641)	(24,260)
Miscellaneous	324,293		324,293
Total general & special	9,086,826	(2,483)	9,084,343
Change in net positions	419,530	171,470	591,000
Net position - beginning	1,255,010	207,083	1,462,093
Net position - ending	$1,674,540	$378,553	$2,053,093

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2022

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$2,680,593	$0	$9,985,417	$482,259	$13,148,269
Interfund receivable	303,445				303,445
Other receivables	57,887	389,284		825	447,996
TOTAL ASSETS	$3,041,925	$389,284	9,985,417	$483,084	$13,899,710
LIABILITIES					
Accounts payable	$16,633	$0	$329,132	$0	$345,765
Interfund payable		303,445			303,445
Unearned revenues		85,839			85,839
TOTAL LIABILITIES	16,633	389,284	329,132	$0	735,049
Fund Balances					
Restricted					
Sick Leave Payable	40,077				40,077
SFCC				72	72
Other				308,507	308,507
Future Construction Projects			9,656,285		9,656,285
Debt Service				590	590
Committed					
Other	7,021			173,915	180,936
Unassigned	2,978,194				2,978,194
Total fund balances	3,025,292	0	9,656,285	483,084	13,164,661
TOTAL LIABILITIES AND FUND BALANCE	$3,041,925	$389,284	$9,985,417	$483,084	$13,899,710

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
As of June 30, 2022

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

Total Fund Balance - Governmental Funds		$13,164,661
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position		12,155,282
Deferred outflows of resources		1,752,516
Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net position		
	Deferred inflows of resources	(1,998,010)
	Pension Liability	(3,094,962)
	OPEB Liability	(2,094,107)
	Bonds Payable	(17,575,000)
	Capital Leases Payable	(470,810)
	Accrued Interest on Bonds	(84,875)
	Accumulated Sick Leave	(80,155)
Total Net Position - Governmental Activities		$1,674,540

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2022

Revenues	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
From local sources					
Property taxes	$1,298,063	$		$333,273	$1,631,336
Motor vehicle taxes	149,718				149,718
Utility tax	199,117				199,117
Earnings on investments	5,644		132	241	6,017
Other local revenues	125,512	23,837		289,427	438,776
Intergovernmental - State	5,782,403	328,696		1,068,515	7,179,614
Intergovernmental - Federal	15,351	2,576,264			2,591,615
Total revenues	7,575,808	2,928,797	132	1,691,456	12,196,193
Expenditures					
Instruction	4,181,577	1,906,817		296,570	6,384,964
Support services					
Student	524,120	115,199			639,319
Instruction staff	584,499	117,824			702,323
District administration	237,773	116,781			354,554
School administration	465,997				465,997
Business	433,206	53,954			487,160
Plant operation and maintenance	593,448	89,460			682,908
Student transportation	265,707	191,830		15,405	472,942
Food service	5,369				5,369
Community service activities	2,098	254,662			256,760
Facilities and Construction			1,196,429		1,196,429
Debt service	68,428	10,355		1,093,281	1,172,064
Total expenditures	7,362,222	2,856,882	1,196,429	1,405,256	12,820,789
Excess(deficit)of revenues over expenditures	213,586	71,915	(1,196,297)	286,200	(624,596)
Other Financing Sources (Uses)					
Bond proceeds			10,645,000		10,645,000
Bond Expense			(296,622)		(296,622)
Operating transfers in	88,431	17,083		663,942	769,456
Operating transfers out	(16,516)	(88,998)		(663,942)	(769,456)
Total other financing sources (uses)	71,915	(71,915)	10,348,378	0	10,348,378
Change in Fund Balance on Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	285,501	0	9,152,081	286,200	9,723,782
Fund balance, July 1, 2021	2,739,791	0	504,204	196,884	3,440,879
Fund balance, June 30, 2022	$3,025,292	$0	$9,656,285	$483,084	$13,164,661

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
RECONCILATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2022

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

Total net change in fund balances - governmental funds		$9,723,782
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.		
Depreciation Expense	(796,196)	
Capital Outlays	1,101,211	305,015
Loss on sale of assets		(21,619)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of Bond Principal		915,000
Bond Proceeds		(10,645,000)
Lease payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position		
Repayment of Capital Lease Principal		107,228
Deferred Outflows		(19,588)
Deferred Inflows		(889,784)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		
Change in Pension Liability		586,668
Change in OPEB Liability		411,638
Change in Accrued Interest		(42,287)
Change in Sick Leave		(11,523)
Total Change in Net Position - Governmental Activities		$419,530

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of June 30, 2022

	Business-Type Activities Enterprise Funds Food Service Fund
ASSETS	
Cash in Bank	$281,113
Accounts receivable	8,605
Inventory	19,806
Capital Assets, net of depreciation	749,449
TOTAL ASSETS	$1,058,973
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension	$83,344
Deferred outflows from OPEB	85,412
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$168,756
LIABILITIES	
Pension liability - Long term	$508,440
OPEB liability - Long term	152,634
TOTAL LIABILITIES	$661,074
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension	$102,995
Deferred inflows from OPEB	85,107
TOTAL DEFERRED INFLOWS OF RESOURCES	$188,102
NET POSITION	
Net Investment in Capital Assets	$749,449
Restricted - Pension	(528,091)
Restricted - OPEB	(152,329)
Restricted Net Position	309,524
TOTAL NET POSITION	$378,553

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds Food Service Fund
OPERATING REVENUES	
Lunchroom sales	$34,988
Total Operating Revenues	34,988
OPERATING EXPENSES	
Salaries and wages	340,924
Contract services	11,993
Materials and supplies	395,953
Depreciation	69,316
Total Operating Expenses	818,186
Operating income (loss)	(783,198)
NON-OPERATING REVENUES (EXPENSES)	
Federal grants	853,013
Commodities received	40,421
State grants	4,471
State on-behalf payments	59,246
Loss on disposal of asset	(2,641)
Interest income	158
Non-operating revenues (expenses)	954,668
Net income (loss)	171,470
Increase (decrease) in Net Position	171,470
Net Position, July 1, 2021	207,083
Net Position, June 30, 2022	$378,553

See accompanying notes

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended June 30, 2022

		Business-Type Activities Enterprise Funds Food Service Fund
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from customers		$34,988
Cash paid to employees, including benefits		(300,099)
Cash paid to suppliers		(376,282)
Net cash provided by operating activities		(641,393)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from government funding		866,391
Net cash provided from capital and related financing activities		866,391
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest income		158
Net cash provided from capital and related financing activities		158
Net increase (decrease) in cash		225,156
Cash and equivalents, July 1, 2021		55,957
Cash and equivalents, June 30, 2022		$281,113
Reconcilation of Operating income (loss) to Net Cash Provided by Opeating Activities		
Operating income (loss)		($783,198)
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation		69,316
On-behalf payments		59,246
Commodities used		40,421
(Increase) Decrease in inventory		(8,757)
(Increase) Decrease in Deferred outflows		23,047
Increase (Decrease) in Deferred inflows		107,106
Increase (Decrease) in Pension Liability		(148,574)
Net cash provided by operating activities and increase in cash and equivalents		($641,393)
Schedule of Non-Cash Financing Activities		
Donated commodities	$40,421	
On Behalf payments	$59,246	

See accompanying notes

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Williamstown Independent Board of Education (Board), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Williamstown Independent School District (District). The Board receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards as 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 Board, for financial purposes, includes all of the funds and account groups relevant to the operation of the Williamstown Independent Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Band Boosters, Athletic Boosters, and Parent-Teacher Associations, etc.

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

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

Williamstown Independent School District Finance Corporation (the Corporation) – the Williamstown Independent Board of Education has established the Williamstown Independent School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) as an agency of the Board for financing the costs of school building facilities. The board members of the Williamstown Independent Board of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

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

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

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

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

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

The District has the following funds:

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

(A) The General Fund (Fund 1) is the primary operating fund of the District. It accounts for and reports all financial resources not accounted for and reported in another fund. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.

(B) The Special Revenue Fund (Fund 2, 21, and 25) accounts for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. Fund 2 is a major fund of the District.

(C) Capital Project Funds are used to account for and report financial resource that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund (Fund 310) receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the district's facility plan.
2. The Facility Support Program of Kentucky (FSPK) Fund (Fund 320) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the district's facility plan.
3. The Construction Fund (Fund 360) includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and/or renovations.

II. Debt Service Fund

The Debt Service Fund (Fund 400) is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years are reported in debt service funds. This is a major fund for the current year.

III. Proprietary Funds (Enterprise Fund)

1. The School Food Service Fund (Fund 51) is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). This is a major fund for the District.

IV. Fiduciary Fund Type (Agency and Private Purpose Trust Funds)

1. The Private Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments. The District does not currently have any Private Purpose Trust Funds.

V. Permanent Funds

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

Basis of Accounting

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

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

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

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

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

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

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

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2022, to finance operations were $.887 per $100 valuation for real property, $.887 per $100 valuation for business personal property and $.591 per $100 valuation for motor vehicles.

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

Fund Balance Classification Policies and Procedures

The Board intends that accounting practices follow state and federal laws and regulations and generally accepted accounting policies.

Nonspendable Fund Balance
Amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact will be classified as Nonspendable Fund Balance.
Restricted Fund Balance
Fund Balance will be reported as restricted when constraints placed on the use of resources are either; (a) externally imposed by creditors, grantors, contributors, or laws or regulations or other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
The Board will use restricted amounts before unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.
Committed Fund Balance
Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education will be reported as committed fund balance.
Assigned Fund Balance
Amounts that have been assigned for a specific purpose by formal resolution of the Board of Education will be reported as assigned fund balance for a specific purpose.
Unassigned Fund Balance
Unassigned Fund Balance is the residual classification for the general fund.

When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used, the funds will first be spent from committed, then assigned, and then finally unassigned.

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

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 five thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported.

Budgetary Process

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

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

Cash and Cash Equivalents

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

Inventories

On district-wide financial statements inventories are stated at cost and are expensed when used.

On fund financial statements inventories are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

The food service fund uses the specific identification method and the general fund uses the first-in, first-out method.

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2022 are recorded as prepaid items using the consumption method. Prepaid assets are only recorded if material to the financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and expense, information about the fiduciary net position of the CERS and TRS and additions to /deductions from the fiduciary net position have been determined on the same basis as they are reported by CERS and TRS. The plans recognizes benefit payments when due and payable in accordance with the benefit term.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Net Position

Net position represents the difference between assets and liabilities. 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 either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, those revenues are primarily charges for meals provided by the various schools and collections for services such as child care.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Subsequent Events

The District has evaluated and considered the need to recognize or disclose subsequent events through September 9, 2022, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended June 30, 2022, have not been evaluated by the District.

Interfund Activity

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.

Uses of Estimates

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

Encumbrances

Encumbrances are not liabilities and therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

NOTE B – PROPERTY TAX CALENDAR

Property taxes for fiscal year 2022 were levied on the assessed valuation of property located in the School District as of January 1, 2021 lien date. The due date and collection periods for all taxes exclusive of vehicle taxes are as follows:

Description	per KRS 134.015
Discount, 2%	by November 1
Face value amount payment date	November 2 thru December 31
Delinquent date, 5% penalty	January 1 -31
Delinquent date, 10% penalty	February 1

Vehicle taxes are collected by the County Clerk and are due and collected in the birth month of the vehicle's licensee.

NOTE C – CASH AND CASH EQUIVALENTS

At year-end, the carrying amount of the District's total cash and cash equivalents was $13,429,382. Of the total cash balance $250,000 was covered by Federal Depository Insurance, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. Cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less.

Cash and cash equivalents at June 30, 2022 consisted of the following:

	Bank Balance	Book Balance
General Checking Account		
General Fund	$	$2,680,593
Special Revenue		0
District Activity		99,278
School Activity		73,812
SEEK Capital Outlay		0
FSPK		308,579
Construction		9,985,417
Food Service		281,113
Total General Checking Account	13,980,147	13,428,792
Debt Service Funds	590	590
TOTALS	$ 13,980,737	$13,429,382

Breakdown per financial statements:

Governmental Funds	$ 13,148,269
Proprietary Funds	281,113
TOTALS	$13,429,382

Interest rate risk. In accordance with the District's investment policy, interest rate risk is limited by investing in public funds with the highest rate of return with the maximum security of principal. Investments are undertaken in a manner that seeks to ensure preservation of the capital in its portfolio.

Credit risk. The District's investment policy limits the types of authorized investment instruments to obligations of the United States, its agencies, and instrumentalities. In addition, certificates of deposit or bonds of a bank or the Commonwealth of Kentucky, securities issued by a state or local government or shares of mutual funds are acceptable investments.

Concentration of credit risk. The district may invest, at any one time, funds in any one of the above listed categories with no limitation of the total amount of funds invested on behalf of the District.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. The District maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As allowed by law the depository bank should pledge securities along with FDIC insurance at least equal to the amount on deposit at all times. As of June 30, 2022, the District's deposits are entirely insured and/or collateralized with securities held by the financial institutions on the District's behalf and the FDIC insurance.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2022

NOTE D – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

Governmental Activities	July 1, 2021	Additions	Retirements	June 30, 2022
Land	95,130			95,130
Land Improvements	1,570,589			1,570,589
Building & Building Improve	17,928,235			17,928,235
Technology Equipment	1,127,374	150,702	97,938	1,180,138
Vehicles	1,376,282		34,767	1,341,515
General Equipment	704,915	27,492	49,637	682,770
Construction in Process	83,426	923,017	0	1,006,443
Totals at historical cost	22,885,951	1,101,211	182,342	23,804,820
Accumulated Depreciation				
Land Improvements	695,321	71,178		766,499
Building & Building Improve	8,188,091	497,502		8,685,593
Technology Equipment	782,132	120,496	85,479	817,149
Vehicles	792,477	81,129	34,767	838,839
General Equipment	556,044	25,891	40,477	541,458
Total accumulated depreciation	11,014,065	796,196	160,723	11,649,538
Capital Assets - Net	11,871,886	305,015	21,619	12,155,282
Business-Type Activities				
Building & Building Improve	1,240,025			1,240,025
Technology Equipment	898			898
General Equipment	367,305	0	20,898	346,407
Totals at historical cost	1,608,228	0	20,898	1,587,330
Accumulated Depreciation				
Building & Building Improve	590,926	49,601		640,527
Technology Equipment	897			897
General Equipment	194,999	19,715	18,257	196,457
Total accumulated depreciation	786,822	69,316	18,257	837,881
Capital Assets - Net	821,406	(69,316)	2,641	749,449

NOTE D – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 430,707
Support Services	
Student	13,936
Instructional staff	2,967
District administration	17,004
School administration	1,937
Business	608
Plant operations & maintenance	250,792
Community Services	85
Student transportation	78,160
Total Depreciation expense, governmental activities	796,196

NOTE E – BONDED DEBT AND LEASE OBLIGATIONS

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued aggregating the original amount of each issue, the issue date, and interest rates are summarized below:

Issue Date	Proceeds	Rates
2009R KISTA	1,271,202	1.00% - 3.25%
2012R	1,235,000	1.70% - 4.20%
2015R	1,820,000	1.00% - 2.50%
2015	2,040,000	1.00% - 3.75%
2016R	5,410,000	2.00%
2019R	1,040,000	2.50%
2022	10,645,000	3.00% - 3.625%

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

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

During the year, the District issued $10,645,000 in bonds to pay for a new auditorium, additional parking, and a new Board office.

NOTE E – BONDED DEBT AND LEASE OBLIGATIONS (continued)

The following is a summary of the District's long-term debt transactions for the year ended.

	Beginning Balance	Additions	Payments	Ending Balance
Bonds	$7,845,000	$10,645,000	$915,000	$17,575,000
Capital Leases	$578,038	$0	$107,228	$470,810
Sick Leave	$68,632	$11,523	$0	$80,155

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2022 for debt service (principal and interest) are as follows:

	WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT		KENTUCKY SCHOOL CONSTRUCTION COMMISION		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2022-23	579,214	405,462	395,786	81,917	1,462,379
2023-24	576,270	416,235	378,730	74,908	1,446,143
2024-25	587,999	403,043	387,001	66,638	1,444,681
2025-26	604,517	390,143	395,483	58,159	1,448,302
2026-27	617,625	374,498	382,375	49,302	1,423,800
2027-32	3,262,074	1,649,370	712,926	168,769	5,793,139
2032-37	3,787,273	1,129,871	487,727	79,563	5,484,434
2037-42	4,202,261	459,929	217,739	24,077	4,904,006
TOTALS	14,217,233	5,228,551	3,357,767	603,333	23,406,884

NOTE F – CAPITAL LEASE PAYABLE

The following is an analysis of the leased property under capital lease by class:

Classes of Property	Book value as of June 30, 2022
Buses & Equipment	$ 577,138

The following is a schedule by years of the future minimum lease payments under capital lease together with the present value of the net minimum lease payments as of June 30, 2022:

Year Ending June 30,	Capital Lease Payable
2023	$ 81,514
2024	75,317
2025	74,658
2026	71,176
2027	71,209
Thereafter	136,064
Total minimum lease payments	509,938
Less: Amount representing interest	(39,128)
Present Value of Net Minimum Lease Payments	$ 470,810

NOTE G – COMMITMENTS UNDER NONCAPITALIZED LEASES

The District had no commitments under operating lease agreements as of June 30, 2022.

NOTE H – CONTINGENCIES

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

NOTE I – 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 which includes Workers' Compensation insurance.

NOTE J – ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement from the school system, an employee will receive from the district an amount equal to 30% of the value of accumulated sick leave. At June 30, 2022, this amount totaled $80,155 of which $40,077 is restricted in the current year fund balance of the General Fund.

NOTE K – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue	$ 303,445

NOTE L – RISK MANAGEMENT

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

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

NOTE M – DEFICIT OPERATING/FUND BALANCES

Funds with a current year deficit of revenues over expenditures

Fund 21	(27,096)

NOTE N – 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 notifies the Department of Employee Insurance (DEI) when an employee is no longer employed. DEI sends the employee the COBRA requirements.

NOTE O – TRANSFER OF FUNDS

The following transfers were made during the year.

Type	From Fund	To Fund	Purpose	Amount
Operating	1	2	KETS Matching	$ 16,516
Debt Service	320	400	Bond Payment	585,294
Debt Service	310	400	Bond Payment	78,649
Operating	2	1	Reimbursement	1,511
Operating	2	1	Indirect Cost	86,920
Operating	2	2	Flex Focus	566

NOTE P – ON-BEHALF PAYMENTS

The financial statements include payments made by the Commonwealth of Kentucky for insurance, flexible spending, and retirement benefits. The following amounts are included in each of the functions.

Health Insurance	$ 978,560
Life Insurance	1,474
Administrative Fees	11,768
HRA/Dental/Vision	52,762
Federal Reimbursement	(201,953)
Technology	81,063
TRS	1,149,524
SFCC Debt Service	429,339
Total	$2,502,537

Fund 1 On Behalf Payments	$2,013,952
Fund 51 On Behalf Payments	59,246
Fund 400	429,339
Total	$2,502,537

NOTE Q – RETIREMENT PLANS

	Government	Food Service	Total
Deferred Outflows			
Subsequent CERS Pension Contributions	262,530	46,605	309,135
CERS Pension	223,639	36,739	260,378
Subsequent CERS OPEB Contributions	71,678	12,725	84,403
CERS OPEB	442,460	72,687	515,147
Subsequent TRS OPEB Contributions	90,393	0	90,393
TRS OPEB	368,000	0	368,000
	1,458,700	168,756	1,627,456
Deferred Inflows			
CERS Pension	626,949	102,995	729,944
CERS OPEB	518,061	85,107	603,168
TRS OPEB	853,000	0	853,000
	1,998,010	188,102	2,186,112
Pension Liability			
CERS	3,094,962	508,440	3,603,402
OPEB Liability			
CERS	929,107	152,634	1,081,741
TRS	1,165,000	0	1,165,000
	2,094,107	152,634	2,246,741
Pension Expense			
CERS	240,284	39,474	279,758
OPEB Expense			
CERS	104,874	17,229	122,103
TRS	(56,000)	0	(56,000)
	48,874	17,229	66,103
Pension Contributions			
CERS	239,302	39,312	278,614
OPEB Contributions			
CERS	86,490	14,209	100,699
TRS	96,351	0	96,351
	182,841	14,209	197,050

NOTE Q – RETIREMENT PLANS (continued)

Teachers' Retirement System of the State of Kentucky (TRS)

Plan Description – Teaching-certified employees of the District are provided pensions through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public education agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter161 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 http://trs.ky.gov/financial-reports-information.

Benefits Provided – For members who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:
1. Attain age fifty-five (55) and complete five (5) years of Kentucky service, or
2. Complete 27 years of Kentucky service.

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university members with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of services, 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 2.5% to 3% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for members hired on or after that date.

Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. 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. TRS 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 $20,000 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.

NOTE Q – RETIREMENT PLANS (continued)

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions of the amount 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative 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.

Medical Insurance Plan

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

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

Funding policy – 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 percent (3.00%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three and three quarter percent (3.75%) from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2022, the Kentucky School District did not report a liability for its proportionate share of the net pension liability because the State of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

State's proportionate share of the net pension liability associated with the District	$ 13,396,380

NOTE Q – RETIREMENT PLANS (continued)

The net pension liability was measured as of June 30, 2021, 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 actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2021, the State's proportion for the District was 0.1029 percent.

For the year ended June 30, 2021, the State recognized pension expense for the District of $(2,086,935) and revenue of $1,069,348 for support provided by the State on the Fund financial statements.

Actuarial assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of pension plan investment expense, including inflation.
Projected salary increases	3.00 – 7.50%, including inflation
Price Inflation rate	2.50%
Wage Inflation rate	2.75%
Cost of living adjustments	1.50% Annually
Municipal Bond Index Rate	2.13%
Single Equivalent Interest Rate	7.10%

Mortality rates were based on the Pub-2010 benefit-weighted tables. Al mortality rates are projected from 2010 generational improvement with Scale MP-2020 adjusted to 75% of the standard rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience investigation for the five-year period ending June 30, 2020. In addition, the contribution requirements for the fiscal year ending June 30, 2024 use a direct rate smoothing methodology over a five-year period. These revised assumption changes and methods were adopted by the Board on September 20, 2021.

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

NOTE Q – RETIREMENT PLANS (continued)

The most recent target asset 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**	**Long-Term Expected Real Rates of Return**
Large Cap U.S. Equity	37.4%	4.2%
Small Cap U.S. Equity	2.6%	4.7%
Developed International Equity	16.5%	5.3%
Emerging Markets Equity	5.5%	5.4%
Fixed Income	15.0%	-0.1%
High Yield Bonds	2.0%	1.7%
Other Additional Categories	5.0%	2.2%
Real Estate	7.0%	4.0%
Private Equity	7.0%	6.9%
Cash	2.0%	-0.3%
Total	100.0%	

Discount rate - The discount rate used to measure the TPL as of the Measurement Date was 7.10%. 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.

NOTE Q – RETIREMENT PLANS (continued)

The following table presents the State's proportionate share of the net pension liability for the District of the System, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
System's net pension liability	$18,106,948	$13,396,380	$9,483,516

June 30, 2020 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2021 using standard roll forward techniques for the actual TPL both before and after the assumption changes due to the experience study and the reduction in the assumed investment rate of return. The difference between these two amounts is show as a change in assumptions. The roll-forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments, and refunds for the plan year and then applies the expected investment rate of return for the year. In addition, it has been determined an expected TPL as of June 30, 2021, based on the TPL roll-forward in the June 30, 2020 GASB 67 report. The difference between this amount and the roll-forward of the actual TPL before the assumption changes is reflected as an experience gain or loss for the year.

The District did not report any deferred outflows of resources and deferred inflows of resources related to pensions.

The District did not have any collective amounts to report as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in future years as pension expense.

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

NOTE Q – RETIREMENT PLANS (continued)

OPEB

The Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated Valuation Date. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule for the year ending June 30, 2021 for the Life Trust:

Valuation Date	June 30, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period (Closed)	26 years
Asset valuation method	5-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount Rate	7.50%

The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts. The Schedule of Employer Contributions details the statutorily determined amounts for the Health Trust.

The Total OPEB Liability (TOL) as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, using the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the five-year period ending June 30, 2020. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Salary increases, including wage inflation	3.00% - 7.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including Inflation	
Health Trust	7.10%
Life Trust	7.10%
Municipal Bond Index Rate	2.13%
Year FNP is projected to be depleted	
Health Trust	n/a
Life Trust	n/a

NOTE Q – RETIREMENT PLANS (continued)

Single Equivalent Interest Rate, net of OPEB Plan investment expense, including price Inflation	
Health Trust	7.10%
Life Trust	7.10%
Health Trust Health Care Cost Trends	
Under Age 65	7.00% for FYE 2021 decreasing to an ultimate rate of 4.50% by FYE 2031
Ages 65 and Older	5.00% for FYE 2022 decreasing to an ultimate rate of 4.50% by FYE 2024
Medicare Part B Premiums	4.40% for FYE 2021 with an ultimate rate of 4.50% by 2034

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2020 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation. The health care cost trend assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the TOL roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

The long-term expected rate of return on Health Trust and Life Trust 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.

NOTE Q – RETIREMENT PLANS (continued)

The following exhibit presents the NOL of the Plan, calculated using the health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. This chart is not shown for the Life Insurance Fund (LIF) since there is no health care trend component of the liabilities:

	Health Care Cost Trend Rate Sensitivity		
	1% Decrease	Current	1% Increase
Health Net OPEB Liability	$846,000	$1,165,000	$1,561,000

	Health Care NOL Rate Sensitivity		
	6.1%	7.1%	8.1%
Health Net OPEB Liability	$1,491,000	$1,165,000	$895,000

Health Trust **Discount rate (SEIR)**: The discount rate used to measure the TOL at June 30, 2021 was 8.00% for the Health Trust and 7.50% for the Life Trust.

Projected cash flows:
Health Trust discount rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 7.10%. 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. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%

The pre-65 retiree health care costs for members retired on or after July 1, 2010 were assumed to be paid by either the State or the retirees themselves.

As administrative expenses, other than the administrative fee of $8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.

Cash flows occur mid-year.

Future contribution to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c)3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system's actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:

Employee contributions

School District/University Contributions

State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

NOTE Q – RETIREMENT PLANS (continued)

To reflect these adjustments, open group projections were used and assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.675 (4)(b).

In developing the adjustments to the statutory contributions in future years, the following was assumed:

Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.

For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

Based on these assumptions, the Health Trust's FNP was not projected to be depleted.

Life Trust Discount rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 7.10%. 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of the Life Trust's cash flows:

Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%

The employer will contribute the Actuarially Determined Contribution (ADC) in accordance with the Life Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.

As administrative expenses were assumed to be paid in all years by the employer as they come due they were not considered.

Active employees do not contribute to the plan.

Cash flows occur mid-year.

Based on these assumptions, the Life Trust's FNP was not projected to be depleted.

The FNP projections are based upon the Health Trust's and the Life Trust's financial statuses on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing basis, reflecting the impact of future members. Therefore, the results of these tests do not necessarily indicate whether or not the Health Trust and the Life Trust will actually run out of money, the financial condition of the Health Trust and Life Trust, or the Health Trust's and the Life Trust's ability to make benefit payments in future years.

NOTE Q – RETIREMENT PLANS (continued)

The target asset 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:

Health Insurance Trust

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return
Global Equity	58.00%	5.10%
Fixed Income	9.00%	-0.10%
Real Estate	6.50%	4.00%
Private Equity	8.50%	6.90%
Additional Category: High Yield	8.00%	1.70%
Other Additional Categories	9.00%	2.20%
Cash	1.00%	-0.30%
Total	100.00%	

Life Insurance Trust

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return
U.S. Equity	40.00%	4.40%
International Equity	23.00%	5.60%
Fixed Income	18.00%	-0.10%
Real Estate	6.00%	4.00%
Private Equity	5.00%	6.90%
Additional Categories	6.00%	2.10%
Cash	2.00%	-0.30%
Total	100.00%	

The following is the Proportionate Share of the Net OPEB Liability:

District	State	Total
$1,165,000	$959,000	$2,124,000

NOTE Q – RETIREMENT PLANS (continued)

District's Proportion of the Collective NOL

	Current Year	Prior Year
Health	0.054282%	0.053371%
Life	0.000000%	0.000000%

There is no Life Insurance Trust OPEB Liability.

There were no changes between the measurement date of the collective net OPEB liability and the employer's reporting date.

Please see Section V of the report on the website for the development of the collective OPEB expense. The District's proportionate share of the net OPEB expense is $(56,000).

Since certain items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled deferred inflows. If they will increase OPEB expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive system members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

The table below provide a summary of the deferred inflows and outflows as of the Measurement Date. The allocation of deferred inflows and outflows will be determined by the System.

Health Insurance Trust	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$0	$693,000
Change of Assumptions	305,000	0
Net Difference between Projected and Actual Investment Earnings	0	124,000
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	63,000	36,000
TOTAL	$368,000	$853,000

NOTE Q – RETIREMENT PLANS (continued)

There are no deferred outflows or inflows for the Life Insurance Trust.

The collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Deferred Amounts to be Recognized in Fiscal Years
Following the Reporting Date

	Deferred Outflows/ (Inflows) of Resources Heath Insurance Trust	Deferred Outflows/ (Inflows) of Resources Life Insurance Trust
Year 1	($129,000)	$0
Year 2	(129,000)	0
Year 3	(118,000)	0
Year 4	(104,000)	0
Year 5	(14,000)	0
Thereafter	9,000	0
TOTAL	($485,000)	0

There are no non-employer contributions recognized for the support provided by non-employer contributing entities in TRS.

KENTUCKY PUBLIC PENSIONS AUTHORITY
County Employees Retirement System (CERS)

Plan description: Substantially all full-time classified employees of the District participate in the County Employees Retirement System ("CERS"). CERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members.

CERS issues a publicly available financial report included in the Kentucky Public Pensions Authority (KPPA) Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Public Pension Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

NOTE Q – RETIREMENT PLANS (continued)

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions: Funding for CERS is provided by members who contribute 5% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 21.17% of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2021. At June 30, 2021, the District's proportion was 0.056517%.

For the year ended June 30, 2022, the District recognized pension expense of $279,758. At June 30, 2022, the District reported deferred outflows of resources for District contributions subsequent to the measurement date of $309,135, deferred outflows of resources from change of assumptions and expectations of $260,378, and deferred inflows of resources related to pensions from the net difference between projected and actual earnings on pension plan investments in the amount of $729,944.

At June 30, 2022, 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
Liability experience	$41,378	$34,973
Assumption changes	48,362	0
Investment experience	139,788	620,061
Changes in proportion and differences between District contributions and proportionate share of contributions	30,850	74,910
District contributions subsequent to the measurement date	309,135	0
	$569,513	$729,944

NOTE Q – RETIREMENT PLANS (continued)

District contributions subsequent to the measurement date of $309,135 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CERS will be recognized in pension expense as follows:

Year	Deferred Outflows (Inflows)
2022	$ (104,186)
2023	(108,014)
2024	(106,971)
2025	(150,395)
2026	0
	$ (469,566)

Actuarial Methods and Assumptions for Determining the Total Pension Liability and Net Pension Liability

The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2021. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	30 year closed period at June 30, 2019 *Gains/Losses incurring after 2019 will be amortized over separate closed 20-year amortization bases*
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%,
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Mortality	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
Phase-In provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

NOTE Q – RETIREMENT PLANS (continued)

The total pension liability, net pension liability, and sensitivity information as of June 30, 2021 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 ending June 30, 2021, using generally accepted actuarial principles.

There have been no actuarial assumption or method changes since June 30, 2020.

House Bill 1 passed during the 2019 Special Legislative Session allows certain employers in the KERS Non-hazardous plan to elect to cease participating in the System as of June 30, 2021 under different provisions than were previously established. Senate Bill 249 passed during the 2021 legislative session delayed the effective date of cessation for these provisions to June 30, 2022. Since each employer's elections are unknown at this time, no adjustment to the Total Pension Liability was made to reflect this legislation.

Senate Bill 249 passed during the 2021 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2021. There were no other material plan provision changes.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30,2021 is determined using these updated benefit provisions. There were no other material plan provision changes.

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

Discount Rate: The projection of cash flows used to determine the discount rate of 6.25% for the CERS Non-hazardous assumed that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as amended by House Bill 362 (passed in2018) over the remaining 30 years (closed amortization period of the unfunded actuarial accrued liability.

NOTE Q – RETIREMENT PLANS (continued)

The projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 8 (passed in 2021), over the remaining 30 years (closed) amortization period of the unfunded actuarial accrued liability.

The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report (ACFR).

Basis of Accounting
The underlying financial information used to prepare allocation schedules is based on KPPA's combining financial statements. KPPA's combining financial statements for all plans are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

Use of Estimates in Preparation of Schedules
The preparation of the schedules in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect certain amounts and disclosures. KPPA accrues employer contributions using estimates based on historical data. Actual results could differ from those estimates.

The long-term expected return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below. The current long term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous system.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	21.75%	5.70%
Non U.S. Equity	21.75%	6.35%
Specialty Credit/High Yield	15.00%	2.80%
Core Bonds	10.00%	0.00%
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Private Equity	10.00%	9.70%
Real Return	10.00%	4.55%
Cash	1.50%	-0.60%
	100.0%	

NOTE Q – RETIREMENT PLANS (continued)

Deferred Inflows and Outflows of Resources
The Deferred Inflows and Outflows of Resources, and Pension Expense included in the Schedule of Pension Amounts by Employer include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule of Pension Amounts by Employer does not include deferred outflows/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2021, is based on the June 30, 2020, actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current discount rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	$ 4,621,534	$ 3,603,402	$ 2,760,922

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publically available at https://kyret.ky.gov.

Payables to the pension plan: At June 30, 2022 the District had payables to CERS in the amount of $0 for June's covered payroll with contributions required to be paid in July.

NOTE Q – RETIREMENT PLANS (continued)

OPEB

CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits (OPEB) plan for members that cover all regular full-time members. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

The net OPEB liability is the total OPEB liability, less the amount of the plan's fiduciary net position. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2020. The total OPEB liability was rolled-forward from the valuation date June 30, 2020 to the plan's fiscal year end, June 30, 2021, using generally accepted actuarial principles.

The mortality table used for active members is the PUB-2010 General Mortality Table projected with ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.. For healthy retired members and beneficiaries, the 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 PUB-2010 Disabled Mortality Table projected 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.

Discount Rate:
Single discount rate of 5.20% was used to measure the total OPEB liability as of June 30, 2021. The single discount rate is based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 21.92% as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer's subsidy was not included in the calculation of the plans actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the KRS' trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028, for the CERS plans.

NOTE Q – RETIREMENT PLANS (continued)

The District's proportionate share of the Net OPEB Liability as of June 30, 2021 is $1,081,741 The District's proportionate share is 0.056504%. The District's proportionate share of the OPEB expense is $122,103. The total Deferred Outflows of Resources is $515,147 and the total Deferred Inflows of Resources is $603,148. Total employer contributions were $68,715, implicit subsidy was $31,984 for a total contributions of $100,699.

	Discount Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	4.20%	5.20%	6.20%
Net OPEB Liability	1,485,222	1,081,741	750,618

	Healthcare Cost Trend Rate Sensitivity		
	1%	Current	1%
	Decrease	Discount Rate	Increase
Net OPEB Liability	778,725	1,081,741	1,447,486

The following actuarial methods and assumptions were used in performing the actuarial valuation as of June 30, 2021.

Valuation Date	June 30, 2019
Experience Study	July 1, 2013 – June 30,2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period *incurring*	30 Years, Closed period at June 30, 2019, *Gains/losses* *after 2019 will be amortized over separate closed 20-year amortization bases*
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.25% at January 1, 2021 and Gradually decreasing in an ultimate trend rate of 4.05% over a period of 13 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement

NOTE Q – RETIREMENT PLANS (continued)

Post-65	Initial trend starting at 5.50% at January 1, 2021, and Gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

House Bill 1 passed during the 2019 Special Legislative Session allows certain employers in the KERS Non-hazardous plan to elect to cease participating in the System as of June 30, 2020 under different provisions than were previously established. Senate Bill 249 passed during the 2020 legislative session delayed the effective date of cessation for these provisions to June 30, 2021. Only one employer elected to cease participation under these provisions and freeze benefit accruals for their current employees. As such, there is no material impact on the total OPEB liability due to this legislation.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total OPEB Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021, is determined using these updated benefit provisions.

The Deferred Inflows and Outflows of Resources, and OPEB Expense include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes in assumptions and differences between projected and actual earnings on plan investments. The Schedule of OPEB Amounts does not include deferred outflows/inflows of resources for changes in the employer’s proportionate share of contributions or employer contributions made subsequent to the measurement date. The net OPEB liability as of June 30, 2021, is based on the June 30, 2020, actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are amortized over a closed five-year period.

NOTE Q – RETIREMENT PLANS (continued)

Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$170,104	$322,972
Assumption Changes	286,790	1,006
Investment Experience	54,501	223,725
Change in Proportionate & Differences between Employer Contrib & Proportionate Share of Plan Contributions	3,752	55,465
District contributions subsequent to the measurement date	84,403	0
Total	$599,550	$603,168

The $84,403 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30,2023.

The following is a summary of collective deferred outflows and Inflows of Resources arising from current and prior reporting periods.

Deferred Amounts to be recognized in Fiscal Years Ending

	Deferred Outflows/ (Inflows) of Resources MIF
2022	$ 9,464
2023	$(16,214)
2024	$(17,248)
2025	$(64,023)
2026	$0
thereafter	$0
Total	$(88,021)

NOTE R – DEFERRED OUTFLOWS FROM ADVANCED BOND REFUNDINGS

The District has issued Refunding Revenue Bonds. The following is a summary of the Unamortized amounts.

Deferred Outflows from Advance Bond Refundings

Beginning Balance	Additions	Current Amortization	Ending Balance
$ 352,021	$ 0	$ 58,205	$ 293,816

NOTE S – GASB 88

The provisions of GASB 88 were adopted by the District. The primary objective of the Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The District has the following lines of credit:

Amazon	$ 47,000
Walmart	$ 12,600
Lowes	$ 15,000
VISA	$ 32,500
Sam's Club	$ 10,400
Staples	$ 16,500
Tractor Supply	$ 2,500

NOTE T – GASB 87

During the year, the District adopted *GASB 87, Leases.* 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. The District has a copier lease with one month remaining, and a postage meter lease with 27 months remaining. These leases individually or aggregately are not material to the financial statements. No amount has been included as Capital Lease Assets.

SUPPLEMENTARY INFORMATION

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	$1,435,020	$1,590,010	$1,646,898	$56,888
Other Local Sources	113,100	113,100	131,156	18,056
Federal Sources	4,000	9,000	15,351	6,351
State Sources	5,851,333	5,787,273	5,782,403	(4,870)
TOTAL REVENUES	7,403,453	7,499,383	7,575,808	76,425
EXPENDITURES				
Instruction	4,653,857	4,852,744	4,181,577	671,167
Support Services				
Student	612,435	586,085	524,120	61,965
Instructional Staff	782,465	735,865	584,499	151,366
District Administration	425,845	323,955	237,773	86,182
School Administration	402,622	510,335	465,997	44,338
Business	396,610	480,705	433,206	47,499
Plant Operation and Maintenance	910,723	1,676,699	593,448	1,083,251
Student Transportation	438,255	449,915	265,707	184,208
Food Service	35,000	51,000	5,369	45,631
Community Services	0	31,590	2,098	29,492
Facilities and Construction	5,000	5,000	0	5,000
Contingency	405,000	500,001	0	500,001
Debt Service	68,430	68,430	68,428	2
TOTAL EXPENDITURES	9,136,242	10,272,324	7,362,222	2,910,102
Excess (Deficit) of Revenues Over Expenditures	(1,732,789)	(2,772,941)	213,586	2,986,527
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	0	77,698	88,431	10,733
Operating Transfers Out	(16,000)	(16,516)	(16,516)	0
TOTAL OTHER FINANCING SOURCES (USES)	(16,000)	61,182	71,915	10,733
Excesss (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(1,748,789)	(2,711,759)	285,501	2,997,260
Fund Balance, July 1, 2021	1,748,789	2,711,759	2,739,791	28,032
Fund Balance, June 30, 2022	$0	$0	$3,025,292	$3,025,292

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE FOR SPECIAL REVENUE
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
State Sources	$231,683	$309,893	$328,696	$18,803
Federal Sources	1,297,914	2,158,084	2,576,264	418,180
Local Sources	3,605	22,372	23,837	1,465
TOTAL REVENUES	1,533,202	2,490,349	2,928,797	438,448
EXPENDITURES				
Instruction	1,125,603	1,713,868	1,906,817	(192,949)
Support Services				
Student	81,341	116,070	115,199	871
Instructional Staff	29,378	117,440	117,824	(384)
District Administration	0	0	116,781	(116,781)
Business	32,000	33,032	53,954	(20,922)
Plant Operations & Maintenance	17,837	42,742	89,460	(46,718)
Student Transportation	171,806	185,611	191,830	(6,219)
Debt Service	8,500	10,265	10,355	(90)
Community Service Operations	82,737	209,678	254,662	(44,984)
TOTAL EXPENDITURES	1,549,202	2,428,706	2,856,882	(428,176)
Excess (Deficit) of Revenues Over Expenditures	(16,000)	61,643	71,915	10,272
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	16,000	16,516	17,083	567
Operating Transfers Out		(78,159)	(88,998)	(10,839)
TOTAL OTHER FINANCING SOURCES (USES)	16,000	(61,643)	(71,915)	(10,272)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	0	0	0	0
Restricted Fund Balance, July 1, 2021	0	0	0	0
Restricted Fund Balance, June 30, 2022	$0	$0	$0	$0

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For The Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)								
TRS	$0	$0	$0	$0	$0	$0	$0	$0
CERS	$3,603,402	$4,297,455	$4,155,896	$3,693,770	$3,566,888	$3,005,000	$2,635,342	$2,090,000
Total	$3,603,402	$4,297,455	$4,155,896	$3,693,770	$3,566,888	$3,005,000	$2,635,342	$2,090,000
District's proportionate share of the net pension liability (asset)								
TRS	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
CERS	0.056517%	0.056000%	0.059100%	0.060650%	0.060938%	0.061032%	0.06129%	0.064419%
State's proportionate share of the net pension liability (asset) associated with the District								
TRS	$13,396,380	$14,209,851	$13,408,243	$13,381,565	$27,960,599	$31,914,987	$26,674,904	$23,805,933
District's covered employee payroll								
TRS	$3,697,779	$3,537,547	$3,449,754	$3,430,976	$3,502,128	$3,497,475	$3,492,822	$3,630,542
CERS	$1,460,820	$1,444,202	$1,500,587	$1,509,985	$1,488,700	$1,490,271	$1,440,821	$1,582,006
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll								
TRS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CERS	246.67%	290.64%	276.95%	244.62%	239.60%	201.64%	182.91%	132.11%
Plan fiduciary net position as a percentage of the total pension liability								
TRS	65.59%	58.27%	58.76%	59.28%	39.83%	35.22%	42.49%	45.59%
CERS	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

Note: The schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS
For The Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions										
TRS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CERS	$278,614	$276,995	$241,762	$217,665	$206,975	$173,396	$183,002	$254,593	$282,148	$341,434
Total	$278,614	$276,995	$241,762	$217,665	$206,975	$173,396	$183,002	$254,593	$282,148	$341,434
Contributions in relation to the contractually required contribution										
TRS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CERS	$278,614	$276,995	$241,762	$217,665	$206,975	$173,396	$183,002	$254,593	$282,148	$341,434
Total	$278,614	$276,995	$241,762	$217,665	$206,975	$173,396	$183,002	$254,593	$282,148	$341,434
Contribution deficiency (excess)										
TRS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CERS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
District's covered employee payroll										
TRS	$3,697,779	$3,537,547	$3,449,754	$3,430,976	$3,502,128	$3,497,475	$3,492,822	$3,630,542	$3,578,806	$3,692,889
CERS	$1,460,820	$1,444,202	$1,500,587	$1,509,985	$1,488,700	$1,464,833	$1,440,821	$1,582,006	$1,878,032	$1,834,490
Total	$5,158,599	$4,981,749	$4,950,341	$4,940,961	$4,990,828	$4,962,308	$4,933,643	$5,212,548	$5,456,838	$5,527,379
Contributions as a percentage of covered employee payroll										
TRS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CERS	19.07%	19.18%	16.11%	14.41%	13.90%	11.84%	12.70%	16.09%	15.02%	18.61%

Note: The schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For The Year Ended June 30, 2022

	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)					
CERS	$1,081,741	$1,352,568	$993,615	$1,076,793	$1,225,062
TRS - Medical Insurance	$1,165,000	$1,347,000	$1,520,000	$1,821,000	$1,941,000
TRS - Life Insurance	$0	$0	$0	$0	$0
Total	$2,246,741	$2,699,568	$2,513,615	$2,897,793	$3,166,062
District's proportionate share of the net OPEB liability (asset)					
CERS	0.056504%	0.056000%	0.059100%	0.060648%	0.060938%
TRS - Medical Insurance	0.054282%	0.053371%	0.051922%	0.052489%	0.054426%
TRS - Life Insurance	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Total					
State's proportionate share of the net OPEB liability (asset) associated with the District					
TRS - Medical Insurance	$946,000	$ 1,079,000	$1,227,000	$1,570,000	$1,585,000
TRS - Life Insurance	$13,000	$ 33,000	$28,000	$27,000	$21,000
Total	$959,000	$ 1,112,000	$1,255,000	$1,597,000	$1,606,000
District's covered employee payroll					
TRS	$3,697,779	$3,537,547	$3,449,754	$3,430,976	$3,502,128
CERS	$1,460,820	$1,444,202	$1,500,587	$1,509,985	$1,488,700
Total	$5,158,599	$4,981,749	$4,950,341	$4,940,961	$4,990,828
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll					
CERS	74.05%	93.66%	66.22%	71.31%	82.29%
TRS - Medical Insurance	31.51%	38.08%	44.06%	53.08%	55.42%
TRS - Life Insurance	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability					
CERS	89.15%	51.67%	60.44%	57.62%	52.40%
TRS - Medical Insurance	51.74%	39.05%	32.58%	25.54%	21.18%
TRS - Life Insurance	89.15%	71.57%	73.40%	74.97%	79.99%

Note: The schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
For The Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Contractually required contributions					
CERS	$100,699	$101,511	$95,680	$83,502	$77,866
TRS - Medical Insurance	$96,351	$94,257	$90,411	$93,500	$77,101
TRS - Life Insurance	$0	$0	$0	$0	$0
Total	$197,050	$195,768	$186,091	$177,002	$154,967
Contributions in relation to the contractually required contribution					
CERS	$100,699	$101,511	$95,680	$83,502	$77,866
TRS - Medical Insurance	$96,351	$94,257	$90,411	$93,500	$77,101
TRS - Life Insurance	$0	$0	$0	$0	$0
Total	$197,050	$195,768	$186,091	$177,002	$154,967
Contribution deficiency (excess)					
CERS	$0	$0	$0	$0	$0
TRS - Medical Insurance	$0	$0	$0	$0	$0
TRS - Life Insurance	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0
District's covered employee payroll					
TRS	$3,697,779	$3,537,547	$3,449,754	$3,430,976	$3,502,128
CERS	$1,460,820	$1,444,202	$1,500,587	$1,509,985	$1,488,700
Total	$5,158,599	$4,981,749	$4,950,341	$4,940,961	$4,990,828
Contributions as a percentage of covered employee payroll					
TRS	2.61%	2.66%	2.62%	2.73%	2.20%
CERS	6.89%	7.03%	6.38%	5.53%	5.23%

Note: The schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

GENERAL INFORMATION

Contributions

Contractually required employer contributions reported on the Schedule of Pension Contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The insurance contributions are reported on the Schedule of OPEB Contributions.

Contractually required employer contributions reported on the Schedule of Pension Contributions exclude the portion of contributions paid to TRS but allocated to the insurance fund of the TRS. The insurance contributions are reported on the Schedule of OPEB Contributions.

Payroll

The District's covered payroll reported on the Proportionate Share of the Net Pension Liability – CERS and the Proportionate Share of the Net OPEB Liability – CERS Schedules is one year prior to the District's fiscal year payroll as reported on the Schedule of Contributions for CERS Pension and CERS OPEB.

The District's covered payroll reported on the Proportionate Share of the Net Pension Liability – TRS and the Proportionate Share of the Net OPEB Liability – TRS Schedules is one year prior to the District's fiscal year payroll as reported on the Schedule of Contributions for TRS Pension and TRS OPEB.

CHANGES OF ASSUMPTIONS

June 30, 2021 – CERS Pension Nonhazardous

There have been no actuarial assumption or method changes since June 30, 2020.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability.

June 30, 2021 – CERS OPEB Nonhazardous

The single discount rates used to calculate the total OPEB liability within the plan decreased from 5.34% to 5.05%.

The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30,2020 valuation process and updated to better reflect the plans' anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increased in healthcare costs.

June 30, 2021 – TRS Pension

There have been no actuarial assumption or method changes since June 30, 2020.

June 30, 2021 – TRS OPEB

The following changes to assumptions were made during the year:

<u>Health Trust and Life Trust</u>

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the PUB2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives.

The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%.

The price inflation assumption was lowered from 3.00% to 2.50%.

The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

June 30, 2020 – CERS Pension and CERS OPEB Nonhazardous

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, for OPEB:

The initial healthcare trend rate for per-65 was changed from 7% to 6.4%. The initial healthcare trend rate for post-65 was changed from 5% to 2.90%, which increased to 6.30% in 2023.

June 30, 2020 – TRS Pension and TRS OPEB

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for TRS-OPEB-Medical Insurance Plan:

The assumed investment rate of return increased from 7.5% to 8.0%.

The following changes in assumptions are made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for TRS OPEB-Life Insurance Plan:

The assumed projected salary increases decreased from a range of 3.50% - 7.45% to 3.50% - 7.20%.
The assumed municipal bond index rate was decreased from 3.5% to 2.2%.

June 30, 2019 – CERS Pension and CERS OPEB Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for both CERS pension and CERS OPEB:

The assumed rate of salary increases was increased from 3.05% to 3.30% to 10.3% on average.

June 30, 2019 -TRS Pension and TRS OPEB

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for TRS pension:

The assumed municipal bond index rate was decreased from 3.89% to 3.50%.

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for TRS OPEB-Medical Insurance Plan:

The assumed projected salary decreased from 4.0%-8.1%, including wage inflation, to 3.5%-7.2%, including wage inflation.
The assumed wage inflation dropped from 4.0% to 3.5%.
The assumed municipal bond index rate was decreased from 3.89% to 3.50%.

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for TRS OPEB-Life Insurance Plan:

The assumed net investment rate of return decreased from 8.0% to 7.5%.
The assumed municipal bond index was decreased from 3.89% to 3.50%.

June 30, 2018 -CERS Pension and CERS OPEB Nonhazardous

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2018 for either CERS pension or CERS OPEB.

June 30, 2018 -TRS Pension and TRS OPEB

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2018, for TRS pension and TRS OPEB:

For TRS Pension the assumed discount rate was increased from 4.49% to 7.50%.
For TRS OPEB-Medical Insurance Plan health care trend rates were updated.

June 30, 2017 -CERS Pension Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2017:

The assumed rate of return was decreased from 7.50% to 6.25%.
The assumed rate of inflation was reduced from 3.25% to 2.30%.
Payroll growth assumption was reduced from 4% to 2%.

June 30, 2017 -TRS Pension

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2017:

In the 2016 valuation, rates of withdrawal, retirement, disability, mortality and rates of salary increase were adjusted to more closely reflect actual experience. In the 2016 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables projected to 2015 with projection scale BB, set forward two project years for males and one year for females rather than the RP-2000 Mortality Tables projected to 2020 with scale AA.

June 30, 2016 -CERS Pension and CERS OPEB Nonhazardous

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016 for either CERS pension or CERS OPEB.

June 30, 2017 -TRS Pension

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016, for TRS pension:

The assumed municipal bond index rate decreased from 3.82% to 3.01%, resulting in a change in the Single Equivalent Interest Rate from 4.88% to 4.20%.

June 30, 2015 -CERS Pension Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

The assumed rate of return was decreased from 7.75% to 7.50%.
The assumed rate of inflation was reduced from 3.50% to 3.25%.
The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
Payroll growth assumption was reduced from 4.5% to 4.0%.

Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
For healthy retired members and beneficiaries, the mortality table used in the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).
For Disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
The assumed rates of retirement, withdrawal, and disability were updated to reflect experience more accurately.

June 30, 2015 -TRS Pension

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015 for TRS pension.

June 30, 2014 -CERS Pension Nonhazardous and TRS Pension

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2014.

June 30, 2013 -CERS Pension Nonhazardous

The assumed rate of return was 7.75%.
The assumed rate of inflation was 3.50%.
The assumed rate of wage inflation was 1.00%.
Payroll growth assumption was 4.5%.
Mortality rates were based on the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006. The 1994 Group Annuity Mortality Table was used for all other members.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2022

	District Activity Fund	School Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS AND RESOURCES						
Cash and equivalents	$99,278	$73,812	$0	$308,579	$590	$482,259
Accounts receivable	$825					825
TOTAL ASSETS AND RESOURCES	$100,103	$73,812	$0	$308,579	$590	$483,084
FUND BALANCES						
Committed Fund Balance	$100,103	$73,812	$0	$	$	$173,915
Restricted - SFCC				72		72
Restricted - Debt Service					590	590
Restricted - Other				308,507		308,507
TOTAL FUND BALANCES	100,103	73,812	0	308,579	590	483,084
TOTAL LIABILITIES AND FUND BALANCES	$100,103	$73,812	$0	$308,579	$590	$483,084

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2022

	District Activity Fund	School Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total
REVENUES						
From local sources						
Taxes	$	$	$	$333,273	$	$333,273
Earnings on investments	134	97			10	241
Other local revenues	120,578	168,849				289,427
Intergovernmental-State			78,649	560,527	429,339	1,068,515
TOTAL REVENUES	120,712	168,946	78,649	893,800	429,349	1,691,456
EXPENDITURES						
Instruction	147,808	148,762				296,570
Student Transportation		15,405				15,405
Debt Service					1,093,281	1,093,281
TOTAL EXPENDITURES	147,808	164,167	0	0	1,093,281	1,405,256
Excess (deficit) revenues over expenditures	(27,096)	4,779	78,649	893,800	(663,932)	286,200
OTHER FINANCING SOURCES (USES)						
Operating transfers in					663,942	663,942
Operating transfers out			(78,649)	(585,293)		(663,942)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	(78,649)	(585,293)	663,942	0
Excess (deficit) revenues and other financing sources over expenditures and other financing uses	(27,096)	4,779	0	308,507	10	286,200
Restricted Fund Balance, July 1, 2021	127,199	69,033	0	72	580	196,884
Restricted Fund Balance, June 30, 2022	$100,103	$73,812	$0	$308,579	$590	$483,084

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHOOL ACTIVITY FUNDS
For The Year Ended June 30, 2022

WILLIAMSTOWN HIGH SCHOOL DETAIL

	Cash Balances Beginning	Receipts	Disbursements	Cash Balances Ending
Archery	$2,130	$19,732	$18,075	$3,787
FDM	497	317	300	514
FFA	2,561	19,235	19,477	2,319
Field Trip Trans.	1,149	9,270	8,206	2,213
SR High Volleyball	1,022	225	748	499
General	3,564	381	900	3,045
Greenhouse	0	3,458	0	3,458
Key Club	54			54
Chorus	1,471	4,874	5,349	996
HS Academic Team	71	800	180	691
MS Academic Team	246	300	251	295
NHS	1,357	962	611	1,708
Junior NHS	1,006			1,006
Track	70	3,389	3,206	253
Student Council	2,061	1,490	703	2,848
The Foundary	156			156
Athletics	13,998	34,742	41,369	7,371
Cross Country	6,135	3,264	2,315	7,084
FCCLA	5,688	7,080	9,748	3,020
Gifted/Talented	902	1,030	1,925	7
FCS-Family Cons Sci	165	231	27	369
PBIS	152	2,868	2,669	351
KYA	165	5,212	5,376	1
Marching Band Fees	2,342	8,608	5,747	5,203
Drama	2,317	4,970	5,056	2,231
Beta	31			31
Prom	181	12,221	5,988	6,414
Aerospace	2,334	6,240	8,270	304
SRS 2023	0	8,808	6,616	2,192
SRS 2024	0	794		794
SRS 2025	0	886		886
SRS 2022	1,348	2,308	3,656	0
Drink Commissions	276	61	0	337
TOTAL HIGH SCHOOL	$53,449	$163,756	$156,768	$60,437
Elementary School	$15,584	$5,190	$7,399	$13,375
TOTAL	$69,033	$168,946	$164,167	$73,812

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022

Federal Grantor/Passed-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Kentucky Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	7750002	$387,867
National School Lunch Program	10.555	7970000	$1,571
National School Lunch Program	10.555	9980000	$26,936
Commodities	10.555	not provided	40,421
Summer Food Service Program for Children	10.559	7690024	1,624
Summer Food Service Program for Children	10.559	7740023	15,888
School Breakfast Program	10.553	7760005	185,152
SubTotal Child Nutrition Cluster			659,459
Child and Adult Care Food Program (CACFP)	10.558	7800016	14,095
Child and Adult Care Food Program (CACFP)	10.558	7790021	198,409
Child and Adult Care Food Program (CACFP)	10.558	7980000	19,474
P-EBT Administrative Costs Grants	10.649	9990000	614
State Administrative Expenses for Child Nutrition	10.560	7700001	1,383
TOTAL U.S. DEPARTMENT OF AGRICULTURE			893,434
U.S. Department of Education			
Passed through Kentucky Department of Education			
Improving America's School Act of 1994			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010	3100002	254,797
Special Education Cluster (IDEA)			
Special Education-Grants to States (IDEA, Part B)	84.027	3810002	101,307
IDEA B ARP COVID funding	84.027X	4910002	23,739
IDEA B Preschool ARP COVID funding	84.173X	4900002	6,282
Special Education-Preschool Grants (IDEA, Preschool)	84.173	3800002	1,405
		subtotal	132,733
Title V - Rural and Low Income	84.358	3140002	5,748
Striving Readers	84.371	3220002	244,551
Twenty-First Century Community Learning Centers	84.287	3400002	132,933
Passed through Walton Verona Independent Board of Education			
Carl D Perkins Career & Technical Education Act	84.048	348I	7,850

The accompanying notes are an integral part of this schedule

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022

Federal Grantor/Passed-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
Passed through Kentucky Department of Education			
Passed through Bellevue Board of Education			
Fund for the Improvement of Education			
Innovative Approaches to Literacy	84.215G	610G	109,060
COVID 19 Funds			
Education Stabilization Fund (ESF)			
Governor's Emergency Education Relief (GEER) Fund	84.425C	564GF	37,051
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4200002	20,968
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4200002	185,362
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4200002	1,042
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4200002	19,099
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4200002	7,700
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4000002	20,101
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	4300002	172,732
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	4300002	1,423
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	4300002	181,965
		subtotal	647,443
TOTAL U.S. DEPARTMENT OF EDUCATION			1,535,115
U.S. Health and Human Services			
Federal Direct			
Head Start Cluster			
Head Start	93.600	655I	842,617
Head Start	93.600	655GN	20,023
Head Start	93.600	655G	178,509
Total Head Start			1,041,149
TOTAL U.S. HEALTH AND HUMAN SERVICES			1,041,149
TOTAL EXPENDITURES OF FEDERAL AWARDS			$3,469,698

The accompanying notes are an integral part of this schedule

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Williamstown Independent School District (the "District) under programs of the federal government for the year ended June 30, 2022. 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as 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.

The District did not use the 10 percent de minimis indirect cost rate.

Note 3 – Food Distribution

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities disbursed, totaling $40,421.

DENISE M. KEENE
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1444
GEORGETOWN, KENTUCKY 40324
859-421-5062

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

State Committee For School District Audits
Members of the Board of Education
Williamstown Independent School District
Williamstown, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, Audits of States and Local Governments, and Non-profit Organizations, and the audit requirement prescribed by the Kentucky Committee for School District Audits, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Williamstown Independent Board of Education as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 9, 2022.

Report on 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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.*

I noted certain matters that I reported to management of the District in a separate letter dated September 9, 2022.

Purpose of this Report

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

Denise M. Keene

Denise M. Keene, CPA
Georgetown, Kentucky
September 9, 2022

DENISE M. KEENE
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1444
GEORGETOWN, KENTUCKY 40324
859-421-5062

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

State Committee For School District Audits
Members of the Board of Education
Williamstown Independent School District
Williamstown, Kentucky

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program

We have audited Williamstown Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

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)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements, referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Denise M. Keene

Denise M. Keene, CPA
Georgetown, Kentucky
September 9, 2022

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting	
Material weakness(es) identified?	__ yes X no
Significant deficiency(ies) identified	_yes X none reported
Noncompliance material to financial statements noted?	__ yes X no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	__ yes X no
Significant deficiency(ies) identified	__ yes _X_ none reported

An unmodified opinion was issued on compliance for all major programs.

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

Identification of major programs

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425C, 84.425D, 84.425U	ESF – Elementary and Secondary Education

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

Auditee qualified as low-risk auditee? _X_ yes __ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For The Year Ended June 30, 2022

PRIOR YEAR – FINANCIAL STATEMENT FINDINGS

None were reported last year

PRIOR YEAR – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None were reported last year.

MANAGEMENT LETTER

DENISE M. KEENE
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1444
GEORGETOWN, KENTUCKY 40324
859-421-5062

Williamstown Independent Board of Education
Williamstown, Kentucky

We have audited the financial statements of the Williamstown Independent School District for the year ended June 30, 2022 and have issued our report thereon dated September 9, 2022. As part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the District's financial statements. Our study and evaluation was more limited than would be necessary for expressing an opinion on the system of internal accounting control taken as a whole.

The management of the Williamstown Independent School District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors, or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system of internal accounting control. Accordingly, we do not express an opinion on the system of internal accounting control of the Williamstown Independent School District taken as a whole. Our study and evaluation disclosed no condition that we believe to be a material weakness.

The following items from last year's management letter points were corrected during the current fiscal year as outlined in the District's response: ALL

The following items from last year's management letter points were not corrected: NONE

Denise M. Keene, CPA
September 9, 2022

CURRENT YEAR MANAGEMENT POINTS

2022-001
The USDA Supply Chain Assistance Funding requires the District to maintain documentation supporting food purchases that are allowable for SCA purposes. The District did not set up a system to track the food purchases as required.

Management's Response:
The Food Service Director was tracking the funding using an existing MUNIS code. After discussion with the auditor, the district created a separate object code to be used only for the USDA Supply Chain Assistance Funding. A journal entry was processed to move the expenditures associated with this funding for FY22 as reflected in the unaudited and audited MUNIS Annual Finance Report. The Director will continue to use this code for tracking purposes for future purchases.

2022-002
The District did not comply with Bid Law with one vendor during the year. The District should comply with bid law with vendors paid over $30,000 during the year.

Management's Response:
The district paid one vendor over $30,000 during the year for a one-time purchase for elementary math manipulatives and program resources. This also included a 3-year digital teacher/student license. Normally we do not spend anywhere near the bid law threshold for this vendor. All employees that manage purchase orders will look at the vendor information before processing purchase orders to make sure the district stays in compliance with Bid Law.

2022-003
Two of the ten employees tested were overpaid during the year. I recommend the District review year end payrolls to assure employees are paid correctly.

Management's Response:
The employees that were overpaid during the year did not receive the actual extra check until August 15, 2022. This is when those employees were to receive their first check for the new fiscal year. Adjustments were made to the new payroll to reflect only the difference in the rate of pay between the two years in order to reimburse the district. The Finance Officer has reviewed the payroll cycles with those responsible for processing payroll. The Finance Officer will review year end payrolls to assure employees are paid correctly in the future

2022-004
Payroll tax Deposit for June 30, 2022 of $16.26 was paid late. I recommend the District set up a calendar of due dates for the year

Management's Response:.
The payroll tax deposit was an oversight. Typically, all federal tax deposits are paid as part of the payroll process and will continue to do so

2022-005
Head Start did a monitoring review in April 2022. The review found the following areas of noncompliance. (1) The recipient did not ensure that SF-429A Real Property Status Reports were filed electronically for each year after 2017, therefore, it was not in compliance. (2) The recipient did not use allowable proof of income for the relevant time period to verify families eligibility; therefore, it was not in compliance.

Management Response:
The District has 120 days from July 15, 2022 to develop a corrective action plan. The District is working with the Regional Office to develop the corrective action plan.

The Head Start/Preschool Director is working with the Regional Office to complete a corrective action plan and address areas of non-compliance. SF-429A Real Property Status Reports were not filed electronically in years prior to the new Director's date of hire. After the Director's date of hire, the SF-429A has been submitted electronically. The Director is working with the Regional Office, as well as Training and Technical Assistance (TTA) Specialists, to ensure this area of non-compliance is fully corrected.

The Head Start/Preschool Coordinator is working with TTA Specialists, the Regional Office, and program administrators to review allowable proof of income to verify family eligibility for Head Start. As a result of additional training and pandemic restrictions/obstacles being lifted, we are only accepting allowable proof of income at this time. Additionally, TTA Specialists are scheduled for an on-site training/on-the-job training the last week of September. The corrective action plan will be completed at that time.

Williamstown Jr/High School

2022-006
The FFA paid for meals for adults at their annual banquet. This is not allowed. I recommend the Principal remind staff that adults must pay for their own expenses. The organization cannot pay for nonmembers.

Management's Response:
Williamstown FFA will only pay for student meals at the annual FFA banquet. Adults will pay for their own meals via check/cash payable to
the Williamstown FFA account. The Principal will remind all staff that adults must pay for their own expenses.

APPENDIX C

Williamstown Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2023

Continuing Disclosure Undertaking Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of May 16, 2023, by and between the Board of Education of Williamstown, Kentucky ("Board"); the Williamstown 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 $4,180,000 of the Corporation's School Building Revenue Bonds, Series of 2023, dated as of May 16, 2023 ("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, 2023, 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 WILLIAMSTOWN INDEPENDENT, KENTUCKY

Attest:

____
Chairman

____
Secretary

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

Attest:

____
President

____
Secretary

APPENDIX D

Williamstown Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2023

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$4,180,000*
Williamstown Independent School District Finance Corporation
School Building Revenue Bonds, Series of 2023
Dated as of May 16, 2023

SALE: April 25, 2023 AT 11:00 A.M., E.D.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Williamstown Independent School District Finance Corporation ("Corporation") will until April 25, 2023, 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 $420,000.

WILLIAMSTOWN 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 Williamstown, Kentucky (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 improvements at Williamstown Jr./Sr. High School, Williamstown Elementary School and Headstart/Preschool (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 finance or refinance the school building(s) which constitute the school building 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 $1,971 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 $1,971 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 May 16, 2023, payable on November 1, 2023, and semi annually thereafter and shall mature as to principal on May 1 in each of the years as follows:

Year	Amount*	Year	Amount*
2024	$ 25,000	2037	$ 35,000
2025	25,000	2038	35,000
2026	25,000	2039	35,000
2027	25,000	2040	35,000
2028	25,000	2041	35,000
2029	25,000	2042	35,000
2030	25,000	2043	540,000
2031	30,000	2044	560,000
2032	30,000	2045	590,000
2033	30,000	2046	615,000
2034	30,000	2047	640,000
2035	30,000	2048	670,000
2036	30,000		

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $420,000 which may be applied in any or all maturities.

The Bonds maturing on or after May 1, 2032 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after May 1, 2031, 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 November 1 and May 1 of each year, beginning November 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 $4,096,400 (98% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(E) The determination of the best purchase bid for said Refunding Bonds shall be made on the basis of all bids submitted for exactly $4,180,000 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 $420,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $3,760,000 or a maximum of $4,600,000. 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 $4,180,000 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 April 25, 2023.

(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 May 1 in accordance with the maturity schedule setting the actual size of the issue.

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

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

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

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

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

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

STATE SUPPORT OF EDUCATION

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

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

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

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

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

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

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

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

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

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

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

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 became 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. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15 percent of the adjusted financial statement income of certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the minimum tax. 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, Williamstown Independent Board of Education, 300 Helton Street, Williamstown, Kentucky 41097 (859.824.7144).

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 computing the Federal alternative minimum tax, however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

(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, 2023, 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.

WILLIAMSTOWN INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

By /s/ John Slone
Secretary

APPENDIX E

Williamstown Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2023

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Williamstown Independent School District Finance Corporation ("Corporation" or "Issuer"), will until 11:00 A.M., E.D.S.T., on April 25, 2023, 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 $4,180,000 School Building Revenue Bonds, Series of 2023, dated May 16, 2023; maturing May 1, 2024 through 2048 ("Bonds").

We hereby bid for said $4,180,000* principal amount of Bonds, the total sum of $_______________ (not less than $4,096,400) plus accrued interest from May 16, 2023 payable November 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 May 1 in the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2024	$ 25,000	________%	2037	$ 35,000	________%
2025	25,000	________%	2038	35,000	________%
2026	25,000	________%	2039	35,000	________%
2027	25,000	________%	2040	35,000	________%
2028	25,000	________%	2041	35,000	________%
2029	25,000	________%	2042	35,000	________%
2030	25,000	________%	2043	540,000	________%
2031	30,000	________%	2044	560,000	________%
2032	30,000	________%	2045	590,000	________%
2033	30,000	________%	2046	615,000	________%
2034	30,000	________%	2047	640,000	________%
2035	30,000	________%	2048	670,000	________%
2036	30,000	________%			

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $4,600,000 of Bonds or as little as $3,760,000 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 April 25, 2023.

(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 May 1 in accordance with the maturity schedule setting the actual size of the issue.

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

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

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

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

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about May 16, 2023 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 May 16, 2023 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 Williamstown Independent School District Finance Corporation for $_________________ amount of Bonds at a price of $______________ as follows:

Year	Amount	Rate	Year	Amount	Rate
2024	_______,000	________%	2037	_______,000	________%
2025	_______,000	________%	2038	_______,000	________%
2026	_______,000	________%	2039	_______,000	________%
2027	_______,000	________%	2040	_______,000	________%
2028	_______,000	________%	2041	_______,000	________%
2029	_______,000	________%	2042	_______,000	________%
2030	_______,000	________%	2043	_______,000	________%
2031	_______,000	________%	2044	_______,000	________%
2032	_______,000	________%	2045	_______,000	________%
2033	_______,000	________%	2046	_______,000	________%
2034	_______,000	________%	2047	_______,000	________%
2035	_______,000	________%	2048	_______,000	________%
2036	_______,000	________%			

Dated: April 25, 2023

____
RSA Advisors, LLC,
As Agent for the Williamstown Independent
School District Finance Corporation