PRELIMINARY OFFICIAL STATEMENT

DATED MAY 3, 2023

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

RATING
Moody's: " "

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

$2,870,000*
LEWIS COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2023A

Dated with Delivery: JUNE 1, 2023 **Due: as shown below**

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

Maturing 1-Jun	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Jun	Amount*	Interest Rate	Reoffering Yield	CUSIP
2024	$10,000	%	%		2035	$15,000	%	%	
2025	$10,000	%	%		2036	$15,000	%	%	
2026	$10,000	%	%		2037	$15,000	%	%	
2027	$10,000	%	%		2038	$15,000	%	%	
2028	$10,000	%	%		2039	$15,000	%	%	
2029	$10,000	%	%		2040	$15,000	%	%	
2030	$10,000	%	%		2041	$15,000	%	%	
2031	$10,000	%	%		2042	$700,000	%	%	
2032	$10,000	%	%		2043	$1,880,000	%	%	
2033	$15,000	%	%		2044	$65,000	%	%	
2034	$15,000	%	%						

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 Lewis County School District Finance Corporation and are payable from and secured by a pledge of the gross income and revenues derived by leasing the Project on an annually renewable basis to the Lewis County School District Board of Education.

The Secretary of the Lewis County School District Finance Corporation will until May 11, 2023, at 11:00 A.M., E.D.S.T., receive sealed bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount awarded by up to $290,000.**

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

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

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

LEWIS COUNTY
BOARD OF EDUCATION

Michelle Skidmore, Chairperson
Cindy Applegate, Member
Amber Kielman, Member
Chad Evans, Member
Todd Sartin, Member

Jamie Weddington, Superintendent/Secretary

LEWIS COUNTY SCHOOL DISTRICT
FINANCE CORPORATION

Michelle Skidmore, President
Cindy Applegate, Member
Amber Kielman, Member
Chad Evans, Member
Todd Sartin, Member

Jamie Weddington, Secretary
Joe Kennedy, Treasurer

BOND COUNSEL

Dinsmore & Shohl LLP
Covington, 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 Lewis County School District Finance Corporation School Building Revenue Bonds, Series 2023A, 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

$2,870,000*

LEWIS COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES 2023A

** Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Lewis County School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series 2023A (the "Bonds").

The Bonds are being issued to finance improvements at the Career and Technical Center (the "Project" herein).

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds will be secured by a statutory mortgage lien and a pledge of the rental income derived by the Corporation from leasing the Project to the Lewis County School District 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 Lewis County School District Board of Education from its records, except for information expressly attributed to other sources. The presentation of financial and other information is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

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

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Contract, Lease and Option, dated June 1, 2023, may be obtained at the office of Dinsmore & Shohl LLP, 50 East Rivercenter Boulevard, Suite 1150, Covington, KY 41011.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

THE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.300 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 $6,744 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2024; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2024. Inter alia, the Budget provides $125,216,700 in FY 2022-23 and $126,719,600 in FY 2023-2024 to pay debt service on existing and future bond issues; $58,000,000 of the Commission's previous Offers of Assistance made during the last biennium. It authorizes $85,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

The 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, and 2024, Regular Sessions of the Kentucky General Assembly appropriated funds to be used for debt service of participating school districts. The additional 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 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.

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	Interest Rate Range	Final Maturity
2012-REF	$2,070,000	$190,000	$1,667,729	$402,271	2.250%	2023
2012B	$1,110,000	$575,000	$0	$1,110,000	2.500% - 3.375%	2032
2015-REF	$1,480,000	$470,000	$848,736	$631,264	2.000% - 2.500%	2025
2016-REF	$1,095,000	$505,000	$564,833	$530,167	2.000% - 2.500%	2026
2016B-REF	$2,225,000	$1,330,000	$1,837,265	$387,735	2.000% - 2.500%	2028
2017A	$920,000	$715,000	$920,000	$0	2.250% - 3.700%	2037
2017B	$15,430,000	$12,910,000	$8,918,520	$6,511,480	2.000% - 3.250%	2037
2021	$14,875,000	$14,580,000	$14,875,000	$0	2.000%	2041
2021B	$16,300,000	$15,715,000	$2,811,083	$13,488,917	2.000% - 2.250%	2041
TOTALS:	$55,505,000	$46,990,000	$32,443,166	$23,061,834		

AUTHORITY

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

i) the issuance of approximately $2,870,000 of Bonds subject to a permitted adjustment by increasing or decreasing the amount awarded by up to $290,000;

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

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

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

THE BONDS

General

The Bonds will be dated June 1, 2023, will bear interest from that date as described herein, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2023, and will mature as to principal on June 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 (June 1 and December 1) to each Registered Owner of record as of the 15th day of the month preceding the due date May 15 and November 15) which shall be Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System.

Redemption

The Bonds scheduled to mature on and after June 1, 2032, are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after June 1, 2031, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, expressed in percentages of the principal amount with respect to each redeemed Bond as set forth below, plus accrued interest to the date of redemption:

Redemption Dates (inclusive)	Redemption Price
June 1, 2031 and thereafter	100%

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.

SECURITY

General

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds are payable as to both principal and interest solely from the income and revenues derived from the leasing of the Project acquired and constructed from the Bond proceeds from the Corporation to the Board.

Mortgage Lien

The Bonds are secured by a statutory mortgage lien and a pledge of revenues on and from the site of the Project.

The Lease

The Board has leased the school Project securing the Bonds for an initial period from June 1, 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 June 1, 2044, the final maturity date of the Bonds.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for an average annual participation equal to approximately $10,369 from the Commission's appropriation by the Kentucky General Assembly which will be used to meet a portion of the debt service of the Bonds. <u>The plan for financing the Project will require the Commission to pay approximately four percent (4%) 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 until the Bonds are retired, but the Commission is not required to do so.

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance improvements at the Career and Technical Center (the "Project").

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

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

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 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.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

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

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to pay approximately 96% of the debt service of the bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	-----Series 2023 School Building Revenue Bonds ----- Principal	Interest	Total	SFCC Portion	Local Portion	Total Restricted Fund Bond Payments
2023	$1,786,155						$1,786,155
2024	$1,835,146	$10,000	$119,253	$129,253	$10,369	$118,884	$1,954,029
2025	$1,833,104	$10,000	$118,913	$128,913	$10,369	$118,544	$1,951,647
2026	$1,835,915	$10,000	$118,573	$128,573	$10,369	$118,204	$1,954,119
2027	$1,834,874	$10,000	$118,233	$128,233	$10,369	$117,864	$1,952,737
2028	$1,835,308	$10,000	$117,893	$127,893	$10,369	$117,524	$1,952,831
2029	$1,836,507	$10,000	$117,553	$127,553	$10,369	$117,184	$1,953,690
2030	$1,834,111	$10,000	$117,213	$127,213	$10,369	$116,844	$1,950,954
2031	$1,836,438	$10,000	$116,873	$126,873	$10,369	$116,504	$1,952,941
2032	$1,836,084	$10,000	$116,533	$126,533	$10,369	$116,164	$1,952,248
2033	$1,834,443	$15,000	$116,193	$131,193	$10,369	$120,824	$1,955,266
2034	$1,833,531	$15,000	$115,683	$130,683	$10,369	$120,314	$1,953,844
2035	$1,834,322	$15,000	$115,143	$130,143	$10,369	$119,774	$1,954,096
2036	$1,832,648	$15,000	$114,603	$129,603	$10,369	$119,234	$1,951,881
2037	$1,833,309	$15,000	$114,063	$129,063	$10,369	$118,694	$1,952,003
2038	$1,832,999	$15,000	$113,523	$128,523	$10,369	$118,154	$1,951,153
2039	$1,836,802	$15,000	$112,923	$127,923	$10,369	$117,554	$1,954,356
2040	$1,835,383	$15,000	$112,323	$127,323	$10,369	$116,954	$1,952,337
2041	$1,837,265	$15,000	$111,723	$126,723	$10,369	$116,354	$1,953,619
2042	$1,149,766	$700,000	$111,123	$811,123	$10,369	$800,754	$1,950,519
2043		$1,880,000	$81,723	$1,961,723	$10,369	$1,951,354	$1,951,354
2044		$65,000	$2,763	$67,763		$67,763	$67,763
TOTALS:	$35,964,109	$2,870,000	$2,282,813	$5,152,813	$207,380	$4,945,433	$40,909,542

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	$2,870,000.00
Total Sources	$2,870,000.00
Uses:	
Deposit to Construction Fund	$2,776,570.00
Underwriter's Discount (2%)	57,400.00
Cost of Issuance	36,030.00
Total Uses	$2,870,000.00

DISTRICT STUDENT POPULATION

Selected school census, enrollment and average daily attendance for the Lewis County School District is as follows:

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	2,228.7	2011-12	2,102.8
2001-02	2,189.5	2012-13	2,142.9
2002-03	2,165.8	2013-14	2,127.0
2003-04	2,195.6	2014-15	2,100.7
2004-05	2,197.9	2015-16	2,045.8
2005-06	2,165.8	2016-17	2,025.1
2006-07	2,217.3	2017-18	2,014.9
2007-08	2,212.4	2018-19	1,960.4
2008-09	2,200.2	2019-20	1,946.8
2009-10	2,137.9	2020-21	1,946.8
2010-11	2,094.7	2021-22	2,026.8
		2022-23	2,026.8

Source: Kentucky State Department of Education.

STATE SUPPORT

Support Education Excellence in Kentucky (SEEK). In determining the cost of the program to Support Education Excellence in Kentucky (SEEK), the statewide guaranteed base funding level is computed by dividing the amount appropriated by the prior year's statewide average daily attendance. The SEEK fund is a guaranteed amount of money per pupil in each school district of Kentucky. The current SEEK allotment is $3,911 per pupil. The $100 capital outlay allotment per each average daily attendance is included within the guaranteed amounts. Each district's base funding from the SEEK program is adjusted for the number of at-risk students, the number and types of exceptional children in the district, and cost of transporting students from and to school in the district.

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

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

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

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

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	222,870.0	2011-12	210,281.0
2001-02	218,950.0	2012-13	214,288.0
2002-03	216,580.0	2013-14	212,700.0
2003-04	219,560.0	2014-15	210,070.0
2004-05	219,790.0	2015-16	204,577.0
2005-06	216,580.0	2016-17	202,513.6
2006-07	221,730.0	2017-18	201,490.0
2007-08	221,240.0	2018-19	196,042.3
2008-09	220,018.0	2019-20	194,680.0
2009-10	213,792.0	2020-21	194,679.8
2010-11	209,472.0	2021-22	202,680.0
		2022-23	202,680.0

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

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

1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;
2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,
3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

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

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	48.5	352,593,021	1,710,076
2001-02	44.3	365,537,815	1,619,333
2002-03	48.8	388,380,481	1,895,297
2003-04	48.8	410,230,094	2,001,923
2004-05	51.5	428,779,523	2,208,215
2005-06	48.8	445,888,480	2,175,936
2006-07	46.5	460,696,122	2,142,237
2007-08	48.8	478,193,020	2,333,582
2008-09	47.4	494,365,917	2,343,294
2009-10	47.4	508,157,412	2,408,666
2010-11	49.5	507,764,072	2,513,432
2011-12	46.9	521,492,001	2,445,797
2012-13	48.1	528,208,526	2,540,683
2013-14	47.5	551,808,837	2,621,092
2014-15	47.7	560,043,381	2,671,407
2015-16	49.1	580,904,401	2,852,241
2016-17	44.3	587,097,867	2,600,844
2017-18	54.1	592,137,204	3,203,462
2018-19	51.5	591,396,691	3,045,693
2019-20	51.7	590,140,823	3,051,028
2020-21	51.9	616,361,812	3,198,918
2021-22	51.1	621,624,160	3,176,499
2022-23	51.9	682,282,034	3,541,044

OVERLAPPING BOND INDEBTEDNESS

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

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Lewis			
General Obligation	433,894	0	433,894
Vehicles Revenue	1,118,058	0	1,118,058
City of Vanceburg			
General Obligtaion	7,295,000	3,026,417	4,268,583
Water & Sewer Revenue	5,094,300	1,663,500	3,430,800
Special Districts			
Black Oak FPD	230,000	210,000	20,000
Garrison Volunteer FD	4,900,000	0	4,900,000
Garrison-Quincy-KY-O-Heights Water Dist.	1,749,000	542,100	1,206,900
Lewis County Extension District	295,000	3,125	291,875
Lewis County Public Health Taxing District	250,000	89,500	160,500
Lewis County Public Llibrary	1,100,000	150,000	950,000
Sanitation District No. 1 of Lewis Co.	963,000	69,500	893,500
Western Lewis-Rectorville Water Dist.	3,046,000	1,012,500	2,033,500
Totals:	26,474,252	6,766,642	19,707,610

Source: 2022 Kentucky Local Debt Report.

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SEEK ALLOTMENT

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

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	8,801,770	1,710,076	10,511,846
2001-02	8,813,726	1,619,333	10,433,059
2002-03	9,222,018	1,895,297	11,117,315
2003-04	9,674,469	2,001,923	11,676,392
2004-05	9,853,455	2,208,215	12,061,670
2005-06	10,174,694	2,175,936	12,350,630
2006-07	10,596,791	2,142,237	12,739,028
2007-08	11,663,430	2,333,582	13,997,012
2008-09	11,766,091	2,343,294	14,109,385
2009-10	10,082,624	2,408,666	12,491,290
2010-11	9,732,808	2,513,432	12,246,240
2011-12	10,660,575	2,445,797	13,106,372
2012-13	10,816,634	2,540,683	13,357,317
2013-14	10,785,965	2,621,092	13,407,057
2014-15	10,828,198	2,671,407	13,499,605
2015-16	10,623,796	2,852,241	13,476,037
2016-17	10,470,339	2,600,844	13,071,183
2017-18	10,728,523	3,203,462	13,931,985
2018-19	10,630,640	3,045,693	13,676,333
2019-20	10,582,571	3,051,028	13,633,599
2020-21	10,086,095	3,198,918	13,285,013
2021-22	11,079,074	3,176,499	14,255,573
2022-23	11,432,035	3,541,044	14,973,079

(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 $0.5190 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.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") the Board and the Corporation (the "Obligated Persons") will agree pursuant to a Continuing Disclosure Agreement to be dated as of the date of initial issuance and delivery (the "Disclosure Agreement"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(i) to the Municipal Securities Rulemaking Board ("MSRB") or any successor thereto for purposes of the 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, certain annual financial information and operating data, including audited financial statements, generally consistent with the information contained under the headings "BOND DEBT SERVICE," DISTRICT STUDENT POPULATION," LOCAL SUPPORT," AND "SEEK ALLOTMENT" and in Appendix B of this Official Statement (the "Annual Financial Information"); such information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Obligated Persons and is publicly available. The annual financial information shall be provided on or before the 270th day following the fiscal year ending on the preceding June 30th;

(ii) to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

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

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

(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bank National Association Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a financial obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or Obligated Person, any of which affect security holders, if material;

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the issuer or Obligated Person, any of which reflect financial difficulties; and

(q) The cure, in the manner provided under the Bond Resolution, of any payment or nonpayment related default under the Bond Resolution.

(iii) to the MSRB, notice of a failure (of which the Obligated Persons has knowledge) of an Obligated Person to provide the required Annual Financial Information on or before the date specified in the Disclosure Agreement.

The Disclosure Agreement provides bondholders, including beneficial owners of the respective series of Bonds, with certain enforcement rights in the event of a failure by the Obligated Persons to comply with the terms thereof; however, a default under the Disclosure Agreement does not constitute an event of default under the Bond Resolution. The Disclosure Agreement may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Disclosure Agreement, the form of which is attached to the Official Statement as Appendix C, should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction:

(a) there are no debt service reserve funds applicable to the Bonds;

(b) there are no credit enhancements applicable to the Bonds; and

(c) there are no liquidity providers applicable to the Bonds.

The Board and Corporation have been timely in making required filings under the terms of the Continuing Disclosure Agreement for the past five years. The Board has adopted procedures to assure timely and complete filings in the future with regard to the Rule in order to provide required financial reports and operating data or notices of material events.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that:

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

(B) Interest payable on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax; however, interest on the Bonds held by an "applicable corporation" is included in annual "adjusted financial statement income" for purposes of calculating the alternative minimum tax on an applicable corporation for tax years beginning after December 31, 2022. The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds.

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

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

LITIGATION

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

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, 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 Lewis County 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 Lewis County School District 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 Lewis County School District and is believed to be reliable. However, such information is not guaranteed as to accuracy or completeness, 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

Lewis County School District Finance Corporation
School Building Revenue Bonds
Series 2023A

Demographic and Economic Data

LEWIS COUNTY, KENTUCKY

Vanceburg, the county seat of Lewis County, is located in the north central portion of Lewis County. Vanceburg celebrated its bicentennial in 1997. With an estimated 2020 population of 1,354, Vanceburg is located 72 miles north of Huntington, West Virginia; 89 miles northeast of Lexington, Kentucky; 89 miles southeast of Cincinnati, Ohio; and 169 miles east of Louisville, Kentucky.

Lewis County, with a land area of 485 square miles, is located in northeastern Kentucky. The Ohio River forms the northern boundary of the county and the Licking River forms the southern boundary. Lewis County had an estimated 2020 population of 13,139 persons.

The Economic Framework

Lewis County has a labor force of 4,808 people with an unemployment rate of 8.6%. The total number of people employed in 2019 averaged 1,757. The top 5 jobs by occupation are as follows: office and administrative support - 294 (16.73%); executives, managers and administrators - 267 (15.2%); sales - 229 (13.03%); education, training/library - 114 (6.49%); and construction and extraction - 112 (6.37%).

Transportation

"AAA"-rated trucking highways serving Vanceburg include Kentucky Routes 9 and 10 (John Y. Brown AA Highway), extending from Interstate 275 in northern Kentucky through Vanceburg. Kentucky Routes 8 and 59, both "AA"-rated trucking highways, also serve Vanceburg. Access to Interstate 64 is 28 miles south of Vanceburg via Kentucky Highway 59. Twelve trucking companies provide interstate and/or intrastate service to the area. CSX Transportation provides main line rail service to Vanceburg. The nearest scheduled commercial airline service is available at Tri-State Airport near Huntington, West Virginia, 72 miles southeast of Vanceburg. The Fleming-Mason Airport, 32 miles southwest of Vanceburg, maintains a 5,000-foot runway designed to accommodate small aircraft.

Power and Fuel

The Electric Plant Board of the City of Vanceburg provides electric power to Vanceburg and parts of Lewis County. Lewis County is also provided electric power by the Fleming-Mason Rural Electric Cooperative Corporation. Natural gas service is provided to Vanceburg by the Electric Plant Board of the City of Vanceburg.

Education

Primary and secondary education is provided to Vanceburg and Lewis County by the Lewis County School System. Eight colleges and universities are located within 60 miles of Vanceburg. The nearest area technology centers (ATC) providing secondary technical training are Mason County ATC in Maysville; Greenup County ATC in Greenup; Morgan County ATC in West Liberty; and Russell ATC in Russell. The nearest technical colleges providing postsecondary technical training are Rowan County Technical College in Morehead; and Ashland Technical College in Ashland.

LOCAL GOVERNMENT

Structure

The City of Vanceburg is governed by a mayor and six council members. The mayor is elected to a four-year term while the council members each serve two-year terms. Lewis County is governed by a county judge/executive and three magistrates. Each county official is elected to a four-year term. In 2022, Vanceburg had an estimated population of 1,445, and Lewis County had an estimated 13,187 people.

Planning and Zoning

There is no planning and zoning commission in Lewis County at the present time.

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

Local Fees and Licenses

The City of Vanceburg levies a one percent occupational license tax on all wages, salaries and commissions of individuals employed within the city and on net profits of businesses located within the city. An annual business license fee of $22.50 is also required to operate a business in Vanceburg.

LABOR MARKET STATISTICS

The Vanceburg labor market area includes Lewis County and the following additional counties: Carter, Fleming, Greenup, Mason, Rowan in Kentucky and Scioto in Ohio.

Population

Area	2020	2021	2022
Vanceburg	1,170	1,431	1,445
Lewis County	13,139	12,912	13,187

Source: Kentucky Cabinet for Economic Development.

Population Projections

Area	2025	2030	2035
Lewis County	13,103	12,690	12,210

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

EDUCATION

Public Schools

	Lewis County
Total Enrollment (2020-2021)	1,944
Pupil-Teacher Ratio	14 - 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 and Technical Schools

Vocational School	Location	Enrollment 2021-22
Greenup County ATC	Greenup, KY	434
Harrison County ATC	Cynthiana, KY	463
Montgomery County ATC	Mt. Sterling, KY	366
Morgan County ATC	West Liberty, KY	371
Russell County ATC	Russell, KY	414

Colleges and 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
Morehead State University	Morehead, KY	8,314
Transylvania University	Lexington, KY	971
University of Kentucky	Lexington, KY	21,900

EXISTING INDUSTRY

Firm	Product	Total Employed
Quincy		
Nelson Brothers LLC	Blasting agents	41
Tollesboro		
JSB Industrial Solutions	Metal can, box, pail production	7
Vanceburg		
Coroplast, Inc.	Corrugated plastic sheet products	63
Goodwin Lumber Company, Inc.	Millwork; hardwood, softwood, dimension & grade lumber	18
Graf & Thomas Lumber LLC	Millwork	10
Northern Contours of Kentucky, Inc.	Components for kitchen cabinet industry	39
Superior Composites Company	Fiberglass automobile door panels	130

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

APPENDIX B

Lewis County School District Finance Corporation
School Building Revenue Bonds
Series 2023A

Audited Financial Statement for FY Ending June 30, 2022

LEWIS COUNTY
SCHOOL DISTRICT

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

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Kelley Galloway Smith Goolsby, PSC
Certified Public Accountants and Advisors

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Lewis County School District
Vanceburg, Kentucky

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 Lewis County School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District'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 District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules 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 District 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 District'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 District'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 District'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 information on pages 6 through 9 and the Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of District's Proportionate Share of the Net OPEB Liability, Schedule of OPEB Contributions on pages 51 through 62 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 District'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* 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 7, 2022

LEWIS COUNTY SCHOOL DISTRICT
VANCEBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)
FOR THE YEAR ENDED JUNE 30, 2022

As management of the Lewis County School District (the "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 financial statements.

FINANCIAL HIGHLIGHTS

- The beginning fund balance for the General Fund was $2,597,493 and the ending balance was $2,533,502 a decrease of $63,991 for the year.

- The General Fund had $19,789,925 in revenue, which consisted primarily of the State program (SEEK), and property, utilities, and motor vehicle taxes. Excluding interfund transfers, there was $19,910,442 in General Fund expenditures. General fund on-behalf payments totaled $5,487,385.

- Bonds are issued as the District renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The District's total debt, net of discounts, increased by $14,167,226 during the current fiscal year.

- Net pension liabilities required to be recorded under GASB No. 68 decreased during the year. Non-professional staff members are covered by the Kentucky County Employee Retirement System. Under this system, the District's share of the pension liability was $7,166,382 as of June 30, 2021, which represents an decrease of $1,310,027 from the June 30, 2020 balance of $8,476,409. The Kentucky Teachers Retirement System covers the District's professional staff members. The District's allocated pension liability as of June 30, 2021 was $34,162,188, which represents a decrease of $2,427,460 from the June 30, 2020 balance of $36,589,648. However, this pension liability is the responsibility of the Commonwealth of Kentucky.

- There are two sources of OPEB liabilities with which the District has to contend. The Kentucky Teachers Retirement System (KTRS) Medical Insurance Plan and Life Insurance Plan covers the District's professional staff members. The District's allocated OPEB liability as of June 30, 2021 for KTRS Medical Insurance Plan was $5,469,000 with the District's responsibility being $3,018,000 and the Commonwealth of Kentucky's responsibility being $2,451,000. The liability for the KTRS Life Insurance Plan is the responsibility of the Commonwealth of Kentucky and the District's allocated amount as of June 30, 2021 was $33,000. Non-professional staff members are covered by the County Employee Retirement System Insurance Fund. Under this fund the District's share of OPEB liability was $2,151,344 as of June 30, 2021.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (government activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 10 and 11 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 funds, proprietary funds and fiduciary funds. The primary proprietary fund is our food service operations. All other activities of the District are included in the governmental funds.

The basic fund financial statements can be found on pages 12 through 20 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 government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by approximately $627,000 as of June 30, 2022.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are 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 year ending June 30, 2022 and 2021

	2022	2021
Current Assets	$ 17,692,415	$ 17,086,577
Noncurrent Assets	49,850,877	35,818,778
Total Assets	67,543,292	52,905,355
Deferred Outflows	3,481,111	3,513,556

Current Liabilities	5,909,721	5,609,849
Noncurrent Liabilities	61,336,118	50,089,695
Total Liabilities	67,245,839	55,699,544
Deferred Inflows	4,405,071	2,347,899
Net Position		
Net investment in capital assets	9,669,731	8,768,959
Restricted	(482,324)	(540,422)
Unrestricted Fund Balance	(9,813,914)	(9,856,573)
Total Net Position	$ (626,507)	$ (1,628,036)

The following table presents a summary of all governmental activities and business-type activities revenues and expenses for the fiscal year ended June 30, 2022, with a comparison to 2021.

	2022	2021
Revenues:		
Local Revenue Sources	$ 4,548,610	$ 4,034,006
State and Federal Revenue Sources	17,219,839	18,054,376
Total Revenues	21,768,449	22,088,382
Expenses:		
Instruction	6,483,392	8,057,369
Student Support Services	2,236,810	1,895,879
Instructional Support	333,866	428,125
District Administration	715,295	721,442
School Administration	1,463,147	1,209,279
Business and Other Support Services	821,685	778,903
Plant Operations	2,483,809	1,876,823
Student Transportation	2,966,662	2,288,006
Community Services	231,922	233,720
Food services	45,295	20,247
Interest Expense	1,472,594	873,824
Food Service	1,512,443	2,302,905
Total Expenses	20,766,920	20,686,522
Revenues Over (Under) Expenses	$ 1,001,529	$ 1,401,860

Governmental Funds Revenue

The majority of revenue was derived from state and federal funding making up 79% of total revenue. Local revenues make up 21% of total revenue (18% in 2021).

District-Wide Support Allocation

District-wide support services expenses were Transportation 12%, Maintenance & Operations 13%, and Business Functions 4% (as compared to 11%, 9%, and 4% in 2021, respectively).

Comments on Budget Comparisons

- The District's total governmental funds revenues for the fiscal year ended June 30, 2022, net of interfund transfers, bond proceeds, and gain on sale of assets were $28,284,543, compared with $26,707,023 in 2021.

- The General fund budget compared to actual expenditures varied from line item to line item with the ending actual balance being $1,232,020 less than budget (excluding contingency amounts) or approximately 5.39%. Revenues were $95,457 less than budget or 0.5%.

- The total cost of all programs and services for governmental funds for the fiscal year ending June 30, 2022 was $43,624,907, compared with $31,861,366 in 2021. This is primarily due to greater than expected KTRS on-behalf payments, significant construction ongoing, and COVID related grants.

Capital Assets

At the end of June 30, 2022, the District's investment in capital assets for its governmental and business-type activities was $49,850,877, representing an increase of $14,032,909, net of depreciation, from the prior year.

Debt Service

At year-end, the District had approximately $51.6 million in outstanding debt, net of discounts, compared to $37.4 million last year. The District continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

Budgetary Implications

In Kentucky the public school fiscal year is July 1 - June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the District overall budget. By law the budget must have a minimum 2% contingency. The general fund cash balance for beginning the next fiscal year is $2,797,904.

The Lewis County School District's current and estimated grant notifications are not anticipated to make a year-to-year material impact upon the remaining funds. Award notifications and estimates are fairly in line with budgeted amounts.

Questions regarding this report should be directed to Joe Kennedy, Director of Finance/Treasurer at (606) 796-2811 or by mail at PO. Box 159, Vanceburg, Kentucky 41179.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 15,635,800	$ 788,306	$ 16,424,106
Receivables (net of allowances for uncollectibles):			
Property taxes	40,774	-	40,774
Other	128,237	-	128,237
Intergovernmental	948,839	-	948,839
Prepaid expenditures	119,649	-	119,649
Inventories	-	30,810	30,810
Capital assets, not being depreciated	20,893,290	-	20,893,290
Capital assets, being depreciated, net	28,364,975	592,612	28,957,587
Total assets	66,131,564	1,411,728	67,543,292
Deferred Outflows of Resources			
Deferred savings from refunding bonds	91,020	-	91,020
Deferred outflows - pension related	825,780	166,407	992,187
Deferred outflows - OPEB related	2,207,390	190,514	2,397,904
Total deferred outflows of resources	3,124,190	356,921	3,481,111
Liabilities			
Accounts payable	2,548,005	919	2,548,924
Unearned revenue	241,645	-	241,645
Interest payable	410,825	-	410,825
Portion due or payable within one year:			
Debt obligations	2,220,000	-	2,220,000
KISTA obligations	451,526	-	451,526
Accrued sick leave	36,801	-	36,801
Noncurrent liabilities:			
Portion due or payable after one year:			
Debt obligations, net of discount	47,049,243	-	47,049,243
Accrued sick leave	88,696	-	88,696
KISTA obligations	1,862,453	-	1,862,453
Net pension liability	5,973,539	1,192,843	7,166,382
Net OPEB liability	4,806,803	362,541	5,169,344
Total liabilities	65,689,536	1,556,303	67,245,839
Deferred Inflows of Resources			
Deferred inflows - pension related	852,851	171,862	1,024,713
Deferred inflows - OPEB related	3,211,071	169,287	3,380,358
Total deferred inflows of resources	4,063,922	341,149	4,405,071
Net Position			
Net investment in capital assets	9,077,119	592,612	9,669,731
Restricted for:			
Capital projects	-	-	-
Other purposes	239,091	(721,415)	(482,324)
Unrestricted	(9,813,914)	-	(9,813,914)
Total net position	$ (497,704)	$ (128,803)	$ (626,507)

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
Instruction	$ 6,483,392	$ 15,600	$ 3,718,413	$ -	$ (2,749,379)	$ -	$ (2,749,379)
Support services:							
Students	2,236,810	-	242,484	-	(1,994,326)	-	(1,994,326)
Instructional staff	333,866	-	248,237	-	(85,629)	-	(85,629)
District administration	715,295	-	123,790	-	(591,505)	-	(591,505)
School administration	1,463,147	-	46,764	-	(1,416,383)	-	(1,416,383)
Business and other support services	821,685	-	111,859	-	(709,826)	-	(709,826)
Operation and maintenance of plant	2,483,809	-	89,442	-	(2,394,367)	-	(2,394,367)
Student transportation	2,966,662	29,284	94,519	-	(2,842,859)	-	(2,842,859)
Food service operations	45,295	-	40,210	-	(5,085)	-	(5,085)
Community services	231,922	-	225,321	-	(6,601)	-	(6,601)
Interest expense	1,472,594	-	-	2,305,832	833,238	-	833,238
Total governmental activities	19,254,477	44,884	4,941,039	2,305,832	(11,962,722)	-	(11,962,722)
Business-type activities:							
Food service	1,512,443	48,354	1,851,766	-	-	387,677	387,677
Total business-type activities	1,512,443	48,354	1,851,766	-	-	387,677	387,677
Total primary government	$ 20,766,920	$ 93,238	$ 6,792,805	$ 2,305,832	$ (11,962,722)	$ 387,677	$ (11,575,045)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 2,657,064	$ -	$ 2,657,064
Motor vehicle					465,987	-	465,987
Utilities					555,805	-	555,805
Intergovernmental revenues:							
State					8,121,202	-	8,121,202
Investment earnings					25,034	2,154	27,188
Gain (loss) on disposal of assets					111,236	-	111,236
Other local revenues					638,092	-	638,092
Transfers					75,232	(75,232)	-
Total general revenues and transfers					12,649,652	(73,078)	12,576,574
Change in net position					686,930	314,599	1,001,529
Net position, June 30, 2021					(1,184,634)	(443,402)	(1,628,036)
Net position, June 30, 2022					$ (497,704)	$ (128,803)	$ (626,507)

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,797,904	$ -	$ 12,598,770	$ 239,126	$ 15,635,800
Receivables (net of allowances for uncollectibles):					
Property taxes	40,774	-	-	-	40,774
Other	128,237	-	-	-	128,237
Intergovernmental - state	-	948,839	-	-	948,839
Interfund receivable	635,557	-	-	-	635,557
Prepaid expenditures	119,649	-	-	-	119,649
Total assets	$ 3,722,121	$ 948,839	$ 12,598,770	$ 239,126	$ 17,508,856
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 1,188,619	$ 71,637	$ 1,287,714	$ 35	$ 2,548,005
Interfund payable	-	635,557	-	-	635,557
Unearned revenue	-	241,645	-	-	241,645
Total liabilities	1,188,619	948,839	1,287,714	35	3,425,207
Fund balances:					
Non-spendable	119,649	-	-	-	119,649
Restricted	-	-	11,311,056	239,091	11,550,147
Committed	16,098	-	-	-	16,098
Assigned	74,524	-	-	-	74,524
Unassigned	2,323,231	-	-	-	2,323,231
Total fund balances	2,533,502	-	11,311,056	239,091	14,083,649
Total liabilities and fund balances	$ 3,722,121	$ 948,839	$ 12,598,770	$ 239,126	$ 17,508,856

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances - total governmental funds		$ 14,083,649
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		49,258,265
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds		
Deferred savings from refunding bonds		91,020
Deferred outflows and (inflows) of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows - pension related	825,780	
Deferred inflows - pension related	(852,851)	(27,071)
Deferred outflows and (inflows) of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows - OPEB related	2,207,390	
Deferred inflows - OPEB related	(3,211,071)	(1,003,681)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds financial statements.		
Net pension liability	(5,973,539)	
Net OPEB liability	(4,806,803)	
Bonds payable	(49,269,243)	
KISTA obligations	(2,313,979)	
Accrued interest payable	(410,825)	
Accrued sick leave	(125,497)	(62,899,886)
Net position of governmental activities		$ (497,704)

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes -					
Property	$ 2,035,440	$ -	$ -	$ 621,624	$ 2,657,064
Motor vehicles	465,987	-	-	-	465,987
Utility	555,805	-	-	-	555,805
Tuition fees	15,600	-	-	-	15,600
Transportation fees	29,284	-	-	-	29,284
Interest income	9,111	-	15,923	-	25,034
Other local revenues	103,823	-	-	534,269	638,092
Intergovernmental - State	16,427,766	973,104	-	2,305,832	19,706,702
Intergovernmental - Indirect federal	-	4,043,866	-	-	4,043,866
Intergovernmental - Direct federal	147,109	-	-	-	147,109
Total revenues	19,789,925	5,016,970	15,923	3,461,725	28,284,543
Expenditures:					
Current:					
Instruction	10,321,503	3,718,413	-	-	14,039,916
Support services:					
Students	1,450,615	242,484	-	542,568	2,235,667
Instructional staff	85,629	248,237	-	-	333,866
District administration	588,333	123,790	-	-	712,123
School administration	1,408,627	46,764	-	-	1,455,391
Business and other support services	705,208	111,859	-	-	817,067
Operation and maintenance of plant	2,352,035	89,442	-	-	2,441,477
Student transportation	2,466,994	94,519	-	-	2,561,513
Food service operations	5,085	40,210	-	-	45,295
Community services	6,133	225,321	-	-	231,454
Facilities acquisition and construction	-	-	15,426,917	-	15,426,917
Debt service	520,280	-	203,237	2,600,704	3,324,221
Total expenditures	19,910,442	4,941,039	15,630,154	3,143,272	43,624,907
Excess (deficiency) of revenues over (under) expenditures	(120,517)	75,931	(15,614,231)	318,453	(15,340,364)
Other financing sources (uses):					
Proceeds from issuance of debt	-	-	16,300,000	-	16,300,000
Discount on bonds	-	-	(60,430)	-	(60,430)
Gain on disposal of assets	33,614	-	-	-	33,614
Transfers in	75,232	42,563	455,004	1,732,475	2,305,274
Transfers out	(52,320)	(118,494)	-	(2,059,228)	(2,230,042)
Total other financing sources and uses	56,526	(75,931)	16,694,574	(326,753)	16,348,416
Net change in fund balances	(63,991)	-	1,080,343	(8,300)	1,008,052
Fund balances, June 30, 2021	2,597,493	-	10,230,713	247,391	13,075,597
Fund balances, June 30, 2022	$ 2,533,502	$ -	$ 11,311,056	$ 239,091	$ 14,083,649

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 1,008,052
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Loss on disposal of assets	77,622	
Capital outlay	15,689,861	
Depreciation expense	(1,828,341)	13,939,142
Bond and KISTA proceeds, including related premiums and discounts, are recognized as revenues in the fund financial statement, but are increases in liabilities in the statement of net position.		
Bond and KISTA proceeds		(16,300,000)
Premium on bond issuance		60,430
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:		
Long-term portion of accrued sick leave		47
Amortization of deferred savings from refunding bonds		(44,444)
Amortization of discounts and premiums		(1,018)
Accrued interest payable		(176,273)
Governmental funds report pension and OPEB contributions as expenditures when paid. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, and investment experience.		
KTRS on-behalf revenue	(8,529,604)	
KTRS on-behalf pension	8,739,611	
CERS pension and OPEB contributions	70,356	
Pension and OPEB expense	(152,731)	127,632
Bond and KISTA payments are recognized as expenditures of current financial resources in the fund financial statements, but are reductions of liabilities in the statement of net position.		2,073,362
Change in net position of governmental activities		$ 686,930

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 788,306
Inventories	30,810
Total current assets	819,116
Noncurrent assets:	
Capital assets, net of accumulated depreciation	592,612
Total noncurrent assets	592,612
Total assets	1,411,728
Deferred Outflows of Resources	
Deferred outflows - pension related	166,407
Deferred outflows - OPEB related	190,514
Total deferred outflows of resources	356,921
Total assets and deferred outflows	$ 1,768,649
Liabilities	
Current liabilities:	
Accounts payable	$ 919
Total current liabilities	919
Long-term liabilities:	
Net pension liability	1,192,843
Net OPEB liability	362,541
Total liabilities	1,556,303
Deferred Inflows of Resources	
Deferred inflows - pension related	171,862
Deferred inflows - OPEB related	169,287
Total deferred inflows of resources	341,149
Net Position	
Net investment in capital assets	592,612
Restricted	(721,415)
Total net position	(128,803)
Total liabilities, deferred inflows, and net position	$ 1,768,649

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Food Service Fund
Operating revenues:	
Lunchroom sales	$ 48,354
Revenue from state sources (on-behalf)	131,834
Total operating revenues	180,188
Operating expenses:	
Salaries and wages	550,237
Employee benefits	314,799
Materials and supplies	538,245
Depreciation	46,116
Other operating expenses	63,046
Total operating expenses	1,512,443
Operating income (loss)	(1,332,255)
Nonoperating revenues (expenses):	
Federal grants	1,620,236
Investment income	2,154
Donated commodities	84,192
Transfers out	(75,232)
State grants	15,504
Total nonoperating revenues (expenses)	1,646,854
Increase in net position	314,599
Net position, June 30, 2021	(443,402)
Net position, June 30, 2022	$ (128,803)

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Food Service Fund
Cash flows from operating activities:	
Cash received from:	
Lunchroom sales	$ 47,824
Cash paid to/for:	
Payments to suppliers and providers of goods and services	(462,592)
Payments to employees	(726,638)
Other payments	(63,046)
Net cash used for operating activities	(1,204,452)
Cash flows from noncapital financing activities:	
Government grants	1,635,740
Transfers out	(75,232)
Net cash provided by noncapital and related financing activities	1,560,508
Cash flows from capital and related financing activities:	
Purchases of capital assets	(294,317)
Net cash used for capital and related financing activities	(294,317)
Cash flows from investing activities:	
Interest received on investments	2,154
Net cash provided by investing activities	2,154
Net increase in cash and cash equivalents	63,893
Cash and cash equivalents, June 30, 2021	724,413
Cash and cash equivalents, June 30, 2022	$ 788,306
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (1,332,255)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	46,116
Donated commodities	84,192
Net pension adjustment	(51,139)
Net OPEB adjustment	57,173
Change in assets and liabilities:	
Inventory	(8,838)
Accounts receivable	-
Accounts payable	299
Net cash provided by (used for) operating activities	$ (1,204,452)
Non-cash items:	
Donated commodities	$ 84,192
On-behalf payments	131,834

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes -				
Property	$ 1,840,300	$ 1,840,300	$ 2,035,440	$ 195,140
Motor vehicles	400,000	400,000	465,987	65,987
Utilities	550,000	550,000	555,805	5,805
Tuition fees	19,000	19,000	15,600	(3,400)
Transportation fees	35,000	35,000	29,284	(5,716)
Interest income	20,000	10,000	9,111	(889)
Other local revenues	110,732	120,302	103,823	(16,479)
Intergovernmental - State	13,783,894	16,751,173	16,427,766	(323,407)
Intergovernmental - Direct federal	158,550	159,607	147,109	(12,498)
Total revenues	16,917,476	19,885,382	19,789,925	(95,457)
Expenditures:				
Current:				
Instruction	9,279,704	11,219,130	10,321,503	897,627
Support services:				
Students	1,277,475	1,570,714	1,450,615	120,099
Instructional staff	217,018	217,818	85,629	132,189
District administration	586,675	592,337	588,333	4,004
School administration	1,370,094	1,493,285	1,408,627	84,658
Business and other support services	569,960	696,260	705,208	(8,948)
Operation and maintenance of plant	1,898,142	2,065,048	2,352,035	(286,987)
Student transportation	2,166,917	2,426,062	2,466,994	(40,932)
Food service operations	-	-	5,085	(5,085)
Community services	13,025	14,775	6,133	8,642
Property	-	326,753	-	326,753
Debt service	520,280	520,280	520,280	-
Contingency	1,382,887	1,696,755	-	1,696,755
Total expenditures	19,282,177	22,839,217	19,910,442	2,928,775
Excess (deficiency) of revenues over (under) expenditures	(2,364,701)	(2,953,835)	(120,517)	2,833,318
Other financing sources (uses):				
Gain on disposal of assets	20,000	20,000	33,614	13,614
Transfers in	344,701	393,321	75,232	(318,089)
Transfers out	-	(40,883)	(52,320)	(11,437)
Total other financing sources and uses	364,701	372,438	56,526	(315,912)
Net change in fund balances	(2,000,000)	(2,581,397)	(63,991)	2,517,406
Fund balances, June 30, 2021	2,000,000	2,581,397	2,597,493	16,096
Fund balances, June 30, 2022	$ -	-	$ 2,533,502	$ 2,533,502

The accompanying notes to financial statements are an integral part of this statement.

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest income	$ -	$ -	$ -	$ -
Other local revenues	-	-	-	-
Intergovernmental - State	963,592	974,337	973,104	(1,233)
Intergovernmental - Indirect federal	2,063,301	9,609,049	4,043,866	(5,565,183)
Total revenues	3,026,893	10,583,386	5,016,970	(5,566,416)
Expenditures:				
Current:				
Instruction	2,311,061	4,869,360	3,718,413	1,150,947
Support services:				
Students	144,640	522,574	242,484	280,090
Instructional staff	149,785	200,398	248,237	(47,839)
District administration	116,237	118,658	123,790	(5,132)
School administration	2,000	2,000	46,764	(44,764)
Business	33,696	46,802	111,859	(65,057)
Operation and maintenance of plant	49,179	49,632	89,442	(39,810)
Student transportation	-	-	94,519	(94,519)
Food service operations	-	-	40,210	(40,210)
Community services	220,295	221,498	225,321	(3,823)
Total expenditures	3,026,893	6,030,922	4,941,039	1,089,883
Excess (deficiency) of revenues over expenditures	-	4,552,464	75,931	(4,476,533)
Other financing sources (uses):				
Transfers in	-	40,883	42,563	1,680
Transfers out	-	(4,607,397)	(118,494)	4,488,903
Total other financing sources and uses	-	(4,566,514)	(75,931)	4,490,583
Net change in fund balances	-	(14,050)	-	14,050
Fund balances, June 30, 2021	-	-	-	-
Fund balances, June 30, 2022	$ -	$ (14,050)	$ -	$ 14,050

The accompanying notes to financial statements are an integral part of this statement.

(1) REPORTING ENTITY

The Lewis County School District (District) is the basic level of government, which has financial accountability and control over all activities related to the public school education within the jurisdiction of the Lewis County School District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by GASB pronouncements. In accordance with GASB Standard 14, financial transactions of the following component unit are incorporated in the accompanying financial statements.

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lewis County School District substantially comply with accounting principles generally accepted in the United States and the rules prescribed by the Kentucky Department of Education for local school districts.

Basis of Presentation

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The District uses the following funds:

Governmental Fund Types:

General Fund - The General Fund is the primary operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This is a major fund of the District.

Special Revenue Funds – Special Revenue Funds accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes.

1. The Special Revenue Fund includes federal financial programs where unused balances are returned to the grantor, at the close of specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

2. The District Activity Funds is a special revenue fund used to account for funds collected at individual schools for operational cost of the school or school district that allows for more flexibility in the expenditure of those funds.

3. The School Activity Fund is a special revenue fund used to account for funds collected at individual schools for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the *Uniform Program of Accounting for School Activity Funds.*

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

1. The Construction Fund is used to account for all resources including proceeds from bond sales for the authorized acquisition and construction of capital facilities. This is a major fund of the District.

2. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives $100 per the District's adjusted average daily attendance restricted for use in financing projects as identified in the District's facility plan.

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

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

Proprietary Fund Type

The District utilizes the proprietary fund type to account for the major fund: Food Service. The Food Service Fund is used to account for school food service activities, including the National School Lunch Program and the National School Breakfast Program, which are conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of

USDA commodities on the financial statements.

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include 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 net total assets. 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.

Basis of Accounting

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

Exchange and Non-exchange transactions - There are two types of transactions: exchange and non-exchange. The method of determining revenue recognition (i.e., accrual v. modified accrual) depends upon the type of exchange as well as source of revenue. Exchange transactions occur when each party receives essentially equal value. Non-exchange transactions occur when one party receives value without directly giving equal value in return.

Modified Accrual - Revenue from non-exchange transactions (e.g., grants, entitlements and donations) must be available to be recognized. These sources of revenue are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under the modified accrual basis of accounting, revenues from exchange transactions are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the District, "available" means within sixty days of June 30. Property tax revenue is recognized in the fiscal year for which the taxes are levied. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue. Under the modified accrual basis of accounting, 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.

Accrual - Under the accrual basis of accounting, revenues are recorded when an exchange takes place. Expenses are recognized at the time they are incurred.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Kentucky Law, appropriations lapse at fiscal year-end. Encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

In-Kind

The District receives commodities from the USDA. The amounts of such commodities are recorded in the accompanying financial statements at their estimated fair market values.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the proprietary fund type considers highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Funds, which records inventory using the accrual basis of accounting. Inventories are stated at the lower of cost or market, on the first-in, first-out basis.

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.

Budgetary Process

The District is required by state law to adopt annual budgets. Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy, only amendments that aggregate greater than $50,000 require Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major difference between the budgetary basis and the GAAP basis is that the direct financing capital lease obligation was not budgeted in the General Fund.

Fund Balances

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint;
- Assigned fund balance-amounts the District intends to use for a specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; unassigned amounts are reported only in the General Fund.

Bond Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School 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 fund. For the School District, those revenues are primarily charges for meals provided by the various schools and on-behalf revenues for operating expenses. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials, labor and direct overhead. Other expenses are nonoperating.

Interfund Activity

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

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles, (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases* ("GASB 87"), which establishes standards of accounting and financial reporting for leases by lessees and lessors. GASB 87 (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be effective for the District beginning with its year ending June 30, 2022 and will be applied retroactively by restating financial statements. Adoption of the provisions of this statement did not have a material effect on the District's financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"), which seeks to (1) enhance the relevance and comparability of information concerning capital assets and the cost of borrowing for a reporting period, and (2) simplify accounting for interest cost incurred during the period of construction. In particular, GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus, and, thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB 89 will be effective for the District beginning with its year ending June 30, 2022. Adoption of the provisions of this statement did not have a material effect on the District's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* ("GASB 92"). GASB 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. Provisions related to insurance-related activities of public entity risk pools and derivative instruments were effective upon issuance. All other provisions will be effective for the District beginning with its year ending June 30, 2022. Adoption of the provisions required upon issuance did not have a material effect on the District's financial statements. Management is currently evaluating the impact of the remaining provisions of this Statement on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements ("GASB 96")*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 will be effective for the District beginning with its year ending June 30, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* ("GASB 99"), to provide guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements. GASB 99 addresses, among other matters:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Clarification of certain provisions of Statement No.:
  - 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments,
  - 87, Leases,
  - 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements,
  - 96, Subscription-Based Information Technology Arrangements (SBITA);
- Replacing the original deadline for use of the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt with a deadline for when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021;
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP);
- Disclosures related to non-monetary transactions; and
- Pledges of future revenues when resources are not received by the pledging government.

Requirements that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement No. 34, and terminology updates are effective upon issuance. Requirements related to leases, public-public and public-private partnerships (PPPs), and SBITAs are effective for fiscal years beginning after June 15, 2022, and for all reporting periods thereafter. Requirements related to other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions required upon issuance of this statement did not have a material effect on the District's financial statements. Management is currently evaluating the impact of the remaining provisions of this Statement on its financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)* ("GASB 100"), which has as its primary objective to provide more straightforward guidance that is easier to understand and is more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability. Improving the clarity of accounting and financial reporting requirements for accounting changes and error corrections will mean greater consistency in the application of these requirements in general.

GASB 100 prescribes accounting and financial reporting for each category of accounting change and error corrections, requiring that:

- Changes in accounting principle and error corrections be reported retroactively by restating prior periods;
- Changes in accounting estimate be reported prospectively by recognizing the change in the current period; and
- Changes to and within the financial reporting entity be reported by adjusting beginning balances of the current period.
- Requires that governments disclose the effects of each accounting change and error correction on beginning balances in a tabular format.

The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Management is currently evaluating the impact of this Statement on its financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"), which supersedes the guidance in Statement No. 16, *Accounting for Compensated Absences*, issued in 1992. GASB 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. For example, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled. Some exceptions to this general rule include parental leave, military leave and jury duty leave for which a liability would not be recognized until the leave commences.

Additionally, GASB 101 (1) provides an alternative to the existing requirement to disclose the gross annual increases and decreases in long-term liability for compensated absences, allowing governments to disclose only the net annual change in the liability as long as it is identified as such; and (2) removes the disclosure of the government funds used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

(3) CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents consist of amounts deposited in interest bearing accounts. The depository bank deposits for safekeeping and trust with the District's third party agent approved pledged securities to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At June 30, 2022, the carrying amount of the District's combined deposits (cash and cash equivalents) was $16,424,106 and the combined bank balances totaled $16,650,034. The bank balances were covered by the combination of FDIC insurance and collateral held by the District's agent in the District's name at June 30, 2022.

Custodial credit risk is the risk that in the event of a depository institution failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). All deposits meet current guidelines.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

Category 1	Deposits that are insured or collateralized with securities held by the District or by its agent in the District's name.
Category 2	Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
Category 3	Deposits which are not collateralized or insured.

Based on these three levels of risk, all of the District's cash deposits are classified as Category 2.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Education Building Fund, Special Revenue (Grant) Funds, Bond and Interest Redemption Fund, School Food Service Funds, and School Activity Funds.

(4) PROPERTY TAXES

Revenues and other governmental fund financial resource increments (.i.e. bond issue proceeds) are recognized in the accounting period in which they become susceptible to accrual; that is, when they become measurable and available to finance expenditures of the fiscal periods. Property taxes collected are recorded as revenues in the fund for which they were levied. The assessment date of the property taxes is January 1 of each year. The levy is normally set during the September board meeting. Assuming property tax bills are timely mailed, collection date is the period from November 1 through December 31. Collections from the period November 1 through November 30 receive a two percent discount. The due date is the period from December 1 through December 31 in which no discount is allowed. Property taxes received subsequent to December 31 are considered to be delinquent and subject to a lien filed by the County Attorney.

The property tax rates assessed for the year ended June 30, 2022, to finance the General Fund operations were $.468 per $100 valuation for real property, $.470 per $100 valuation for business personal property and $.490 per $100 valuation for motor vehicles. In addition, the District assessed a nickel levy in the amount of $.063 per $100 valuation for construction purposes, only.

(5) CAPITAL ASSETS

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

All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000. 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	Estimated Life in Years
Buildings and Improvements	40
Land Improvements	20
Technology Equipment	5
Vehicles	5-14
Food Service Equipment	7
Furniture and Fixtures	7
Other	10

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

Governmental Activities	Balance at June 30, 2021	Additions	Deductions	Balance at June 30, 2022
Non-depreciable:				
Land	$ 272,556	$ -	$ -	$ 272,556
Construction in progress	5,884,863	14,735,871	-	20,620,734
Depreciable:				
Land improvements	1,956,875	-	-	1,956,875
Buildings and improvements	41,169,728	-	-	41,169,728
Technology equipment	2,314,268	890,919	502,740	2,702,447
General equipment	588,593	10,374	13,167	585,800
Vehicles	6,111,458	52,697	723,472	5,440,683
Totals	58,298,341	15,689,861	1,239,379	72,748,823
Less: accumulated depreciation				
Land improvements	1,538,543	59,006	-	1,597,549
Buildings and improvements	16,085,804	1,052,443	-	17,138,247
Technology equipment	1,646,545	285,848	465,886	1,466,507
General equipment	356,405	29,869	8,831	377,443
Vehicles	3,196,677	401,175	687,040	2,910,812
Total accumulated depreciation	22,823,974	1,828,341	1,161,757	23,490,558
Governmental Activities Capital Assets - Net	$ 35,474,367	$ 13,861,520	$ 77,622	$ 49,258,265

Business-Type Activities				
Food service and equipment	$ 675,647	$ 295,127	$ -	$ 970,774
Technology equipment	16,144	-	-	16,144
	691,791	295,127	-	986,918
Less: accumulated depreciation				
Food service equipment	340,169	43,908	-	384,077
Technology equipment	8,021	2,208	-	10,229
	348,190	46,116	-	394,306
Business-Type Activities Capital Assets - Net	$ 343,601	$ 249,011	$ -	$ 592,612

Depreciation expense was allocated to governmental functions as follows:

Instruction	$ 1,371,309
District administration	2,128
School administration	839
Business support services	195
Plant operation & maintenance	28,942
Student transportation	424,928
	$ 1,828,341

(6) LIABILITY FOR COMPENSATED ABSENCES

Certified employees are awarded a maximum of 10 days of sick leave annually, based upon employment contract terms and District policy. Sick leave is accrued without limitation. Upon retirement from the school system, a certified and classified employee receives from the District an amount equal to 30% of the value of accumulated sick leave at the current daily rate of pay. At June 30, 2022, the estimate for those employees over the age of 55 with 5 or more years of service is $125,497, of which $36,801 is estimated to be short term and $88,696 is long-term, both recorded on the District-wide financial statements.

(7) LONG-TERM DEBT

The District is required to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Lewis County School District Finance Corporation to construct school facilities. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund in accordance with state law.

The maturity date, original amounts of the issue and interest rates are summarized below:

Issue	Original Amount	Interest Rates
Issue of 2012	$ 1,110,000	1.00-3.375%
Issue of 2012R	2,070,000	1.10-2.25%
Issue of 2015R	1,480,000	2.00-2.50%
Issue of 2016R	1,095,000	1.15-2.50%
Issue of 2016R2	2,225,000	2.00-2.50%
Issue of 2017	920,000	2.00-3.70%
Issue of 2017B	15,430,000	1.00-3.45%
Issue of 2021	14,875,000	0.40-1.70%
Issue of 2021B	16,300,000	0.42-2.22%
	$ 55,505,000	

The District has entered into "participation agreements" with the School Facilities Construction Commission (the "Commission"). The Kentucky General Assembly created the Commission for the purposes 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 bonds issued. The liability for the total bond amount remains with the District and, as such, the total principal outstanding. The District is liable for all issues; however, School Facilities Construction Commission participates by contributing those portions of debt that are appropriated in the State's biennial budget.

A summary of activity in bond obligations and other debts is as follows:

Description	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022
General obligation bonds- $55,505,000 originally issued with interest rates ranging from 0.4% to 3.70%	$ 34,530,000	$16,300,000	$ 1,620,000	$49,210,000
Premium (Discount) on bonds	118,655	(60,430)	(1,018)	59,243
KISTA Leases	2,767,341	-	453,362	2,313,979
Accumulated unpaid sick leave benefits	125,544	-	47	125,497
	$ 37,541,540	$16,239,570	$ 2,072,391	$51,708,719

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent.

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 shown below.

	LEWIS COUNTY SCHOOL DISTRICT		SCHOOL FACILITIES CONSTRUCTION		
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2023	$ 1,132,119	$ 654,036	$ 1,087,881	$ 460,944	$ 3,334,980
2024	1,204,770	660,270	1,100,230	438,720	3,403,990
2025	1,226,053	607,051	1,088,947	416,427	3,338,478
2026	1,254,580	581,335	1,095,420	393,999	3,325,334
2027	1,282,112	552,762	1,052,888	370,369	3,258,131
2028-2032	6,893,046	2,285,402	5,301,954	1,478,324	15,958,726
2033-2037	7,762,047	1,406,206	5,547,953	823,281	15,539,487
2038-2042	8,033,625	458,590	4,146,375	214,495	12,853,085
	$ 28,788,352	$ 7,205,652	$ 20,421,648	$ 4,596,559	$ 61,012,211

Future minimum debt service on KISTA lease obligations, at June 30, 2022, is as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
2023	$ 451,526	$ 51,146	$ 502,672
2024	413,055	40,480	453,535
2025	388,766	30,203	418,969
2026	294,328	21,503	315,831
2027	255,609	14,616	270,225
2028-2031	510,695	27,800	538,495
	$ 2,313,979	$ 185,748	$ 2,499,727

Net Pension Liability

The net pension liability is $5,973,539 and $1,192,843 for governmental activities and business-type activities, respectively, at June 30, 2022. See Note (8) for more detailed information.

Net OPEB Liability

The net OPEB liability is $4,806,803 and $362,541 for governmental activities and business-type activities, respectively, at June 30, 2022. See Note (9) for more detailed information.

(8) RETIREMENT PLANS

Kentucky Teachers Retirement System

Plan description: Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

Benefits provided: For 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 is 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 service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the KTRS 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. KTRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is $2,000 for active contributing members and $5,000 for retired or disabled members.

Cost of living increases are one and one-half (1.5) percent annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

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

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions in the amount of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. University employers contribute 15.865% of salaries of members. 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.

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

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

District's proportionate share of the net Pension liability	$ -
Commonwealth's proportionate share of the Net Pension liability associated with the District	34,162,188
	$ 34,162,188

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. 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 Commonwealth as determined by the actuary. At June 30, 2021, the District's proportion was 0.2625%.

For the year ended June 30, 2022, the District recognized pension expense of ($8,286,611) and revenue of ($8,286,611) for support provided by the State.

Actuarial Methods and Assumptions: The total pension liability was determined by applying procedures to the actuarial valuation as of June 30, 2020. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Single Equivalent Interest Rate	7.10%

Municipal Bond Index Rate	2.13%
Inflation	2.5%
Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation
Post-retirement Benefit Increases	1.50% annually

Mortality rates were based on the Pub2010 (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 actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The assumed long-term investment rate of return was changed from 7.5% to 7.1% and the price inflation assumption was lowered from 3% to 2.5%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 total pension liability as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution (ADC) rates for all future fiscal years. 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.

The following table presents the net pension liability of the Commonwealth associated with the District, calculated using the discount rate of 7.10%, as well as what the Commonwealth's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the Net Pension liability associated with the District	$ 47,374,000	$ 34,162,188	$28,721,000

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report which is publicly available at http://www.ktrs.ky.gov/.

County Employees Retirement System

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 Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

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 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2022, employers were required to contribute 26.95% (21.17% - pension, 5.78% insurance) of the member's salary. During the year ending June 30, 2022, the District contributed $659,671 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

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, 2020. An expected total pension liability as of June 30, 2021 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 0.112400%.

For the year ended June 30, 2022, the District recognized pension expense of approximately $800,000. 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
Differences between expected and actual experience	$ 82,292	$ 69,555
Changes of assumptions	96,181	-
Net difference between projected and actual earnings on investments	-	955,158

Changes in proportion and differences between District contributions and proportionate share of contributions	154,043	-
District contributions subsequent to the measurement date	659,671	-
	$ 992,187	$ 1,024,713

The $659,671 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

Year	
2023	$ (7,721)
2024	(174,088)
2025	(211,281)
2026	(299,107)
	$ (692,197)

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2020. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll growth	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation

The mortality table used for active members is 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, 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 is utilized. For disabled members, the mortality table used is the PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth		
US Equity	21.75%	5.70%
Non US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity		
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies		
Real Estate	10.00%	5.40%
Opportunistic	0.00%	0.00%
Real Return	10.00%	4.55%
Total	100.00%	5.00%

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

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:
0

	1% Decrease (5.25%)	Current discount rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	$ 9,191,224	$ 7,166,382	$ 5,490,872

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 publicly available at https://kyret.ky.gov.

Payables to the pension plan: At June 30, 2022, there were no payables to CERS.

(9) OTHER POSTEMPLOYMENT BENEFIT ("OPEB") PLANS

Kentucky Teachers Retirement System OPEB Plans

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

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

Medical Insurance Plan

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

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

Contributions – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. During the year ending June 30, 2022, the District contributed $286,981 to the medical insurance plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Medical Insurance Plan

At June 30, 2022, the District reported a liability of $3,018,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.254895%.

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

District's proportionate share of the net OPEB liability	$ 3,018,000
Commonwealth's proportionate share of the Net OPEB liability associated with the District	2,451,000
	$ 5,469,000

For the year ended June 30, 2022, the District recognized OPEB expense of $453,000 and revenue of $238,000 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,795,000
Changes of assumptions	789,000	-
Net difference between projected and actual earnings on investments	-	322,000
Changes in proportion and differences between District contributions and proportionate share of contributions	186,000	254,000
District contributions subsequent to the measurement date	286,981	-
	$ 1,261,981	$ 2,371,000

Of the total amount reported as deferred outflows of resources related to OPEB, $286,981 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year	
2023	$ (356,000)
2024	(358,000)
2025	(321,000)
2026	(292,000)
2027	(84,000)
Thereafter	15,000
	$ (1,396,000)

Actuarial methods and assumptions – The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2018. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	7.00% for FY 2021 decreasing to an ultimate rate of 4.50% by FY 2031
Ages 65 and Older	5.00% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2024
Medicare Part B Premiums	4.40% for FY 2021 with an ultimate rate of 4.50% by 2034
Municipal Bond Index Rate	2.13%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub2010 (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, 2020 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 following is a summary in the change of assumptions that were reflected in the valuation as of June 30, 2020:

- 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 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.10%
Fixed Income	9.0%	-0.10%
Real Estate	6.5%	4.00%
Private Equity	8.5%	6.90%
High Yield	8.0%	1.70%
Other Additional Categories	9.0%	2.20%
Cash	1.0%	-0.30%
Total	100.0%	

Discount rate - The discount rate used to measure the TOL as of the measurement date was 8.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 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, 2019 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 3.5%.
- The KEHP group 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 $7.44 per member per month (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 midyear.
- Future contributions to the Health Insurance 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 funded status, as determined by TRS's actuary, the following health trust statutory contributions are to be decreased, suspended or eliminated:
    - Employee contributions
    - Employer contributions
    - State contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

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 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, 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 also may 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: (1) Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP and (2) a 0% active member growth rate was assumed for the purposes of developing estimates for new entrants (membership dates beyond June 30, 2019).

The FNP projections are based upon the health trust's financial status on the valuation date, the indicated set of methods and assumptions, and the requirements of GASB Statement No. 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 will actually run out of money, the financial condition of the trust, or the trust's ability to make benefit payments in future years.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.10%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net OPEB liability	$ 3,864,000	$ 3,018,000	$ 2,319,000

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,193,000	$ 3,018,000	$ 4,045,000

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

Life Insurance Plan

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

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

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Life Insurance Plan

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

District's proportionate share of the net OPEB liability	$ -
Commonwealth's proportionate share of the Net OPEB liability associated with the District	33,000
	$ 33,000

The net OPEB liability was measured as of June 30, 2021, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2021, the District's proportion was 0.249169%.

For the year ended June 30, 2022, the District recognized OPEB expense of $-0- and revenue of $4,993 for support provided by the State.

Actuarial methods and assumptions - The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2020. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	2.13%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub2010 (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 study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

The following is a summary in the change of assumptions that were reflected in the valuation as of June 30, 2020:

- 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 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.

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

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

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

	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	4.40%
International Equity	23.0%	5.60%
Fixed Income	18.0%	-0.10%
Real Estate	6.0%	4.00%
Private Equity	5.0%	6.90%
Other Additional Categories	6.0%	2.10%
Cash (LIBOR)	2.0%	-0.30%
Total	100.0%	

Discount rate - The discount rate used to measure the total OPEB liability 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 Statement No. 75. 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 insurance 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 Insurance 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 midyear.

Based on these assumptions, the Life Insurance Trust's fiduciary net position was not projected to be depleted.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.10%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the net OPEB liability associated with the District	$ 75,000	$ 33,000	$ (2,000)

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

County Employees Retirement System Insurance Fund

Plan description: The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. The CERS Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

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

Benefits provided: CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance coverage based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium.

Percentage of contribution ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive $10 toward the monthly premium for each full year of service.

Contributions: CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 2022, CERS allocated 5.78% of the 26.95% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan. During the year ending June 30, 2022, the District contributed $180,108 to the CERS Insurance Fund. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

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

At June 30, 2022, the District reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on contributions to CERS during the fiscal year ended June 30, 2021. At June 30, 2021, the District's proportion was 0.112374%.

For the year ended June 30, 2022, the District recognized OPEB expense of $289,700, including an implicit subsidy of $70,788. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 338,299	$ 642,320
Changes of assumptions	570,362	-
Net difference between projected and actual earnings on investments	-	336,548
Changes in proportion and differences between District contributions and proportionate share of contributions	47,154	30,490
District contributions subsequent to the measurement date	180,108	-
	$ 1,135,923	$ 1,009,358

Of the total amount reported as deferred outflows of resources related to OPEB, $180,108 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022.

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are amortized over the average service life of all members. These will be recognized in OPEB expense as follows:

Year		
2023	$	54,423
2024		3,293
2025		6,420
2026		(117,679)
2027		-
Thereafter		-
	$	(53,543)

Actuarial Methods and Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	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
Post-retirement (disabled)	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

Assumption Changes - The single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2020, valuation process and was updated to better reflect the plan's anticipated long-term healthcare costs. There were no other material assumption changes.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth		
US Equity	21.75%	5.70%
Non US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity		
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
Diversifying Strategies		
Real Estate	10.00%	5.40%
Opportunistic	0.00%	0.00%
Real Return	10.00%	4.55%
Total	100.00%	5.00%

Discount rate - The discount rate used to measure the total OPEB liability was 5.20%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 1.92%, 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, each 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 plan. However, the cost associated with the implicit employer 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 plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.20%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current discount rate (5.20%)	1% Increase (6.20%)
District's proportionate share of the net OPEB liability	$ 2,953,779	$ 2,151,344	$ 1,492,813

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,548,712	$ 2,151,344	$ 2,878,730

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

Payables to the OPEB plan: At June 30, 2022, there were no payables to CERS.

(10) 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 include worker's compensation insurance.

(11) COMMITMENTS AND CONTINGENCIES

The District receives funding from Federal and State government agencies. These funds are to be used for designated purposes only. For Government agency grants, if based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements.

The District has outstanding construction commitments in the amount of approximately $7.7 million at June 30, 2022.

(12) 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 participates in the Kentucky Employer's Mutual Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation Fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance Fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District 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.

(13) COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. It is management's opinion that the District is in compliance with the COBRA requirements.

(14) INTERFUND TRANSACTIONS

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 635,557

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	General Fund	Construction	Construction	$ 9,757
Operating	Food Service	General Fund	Indirect Cost	75,232
Debt Service	Building (FSPK)	Debt Service	Bond Payments	1,732,475
Operating	Capital Outlay	Construction	Construction	202,680
Operating	General Fund	Special Revenue	Technology Match	42,563
Operating	Special Revenue	Construction	Construction	118,494
Operating	Building (FSPK)	Construction	Construction	124,073

(15) ON-BEHALF PAYMENTS

For the year ended June 30, 2022, total payments of $6,487,447 were made by the Commonwealth of Kentucky on behalf of the District for life insurance, health insurance, and KTRS matching and administrative fees, and SFCC debt service. These payments were recognized as on-behalf payments and are recorded in the appropriate revenue and expense accounts on the Statement of Activities and the Government Funds Statement of Revenue, Expenditures, and Changes in Fund Balance.

On-behalf payments at June 30, 2022 consisted of the following:

Teacher Retirement	$ 2,726,945
Teacher Retirement – Health & Life	207,760
Health Insurance	2,617,055
Life Insurance	4,260
Administrative Fee	34,052
HRA/Dental/Vision	132,733
Federal Reimbursement	(201,872)
Technology	98,285
SFCC Debt Service	868,229
Total on-behalf	$ 6,487,447

(16) FUND DEFICIT

As of June 30, 2022, the Food Service Fund had a negative net position of $128,803. This deficit resulted from the fund's proportionate share of the net pension and OPEB liabilities recorded in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

REQUIRED SUPPLEMENTARY INFORMATION

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
COUNTY EMPLOYEES RETIREMENT SYSTEM:								
District's proportion of the net pension liability	0.11240%	0.11052%	0.10951%	0.10687%	0.11113%	0.12029%	0.12124%	0.12100%
District's proportionate share of the net pension liability	$ 7,166,382	$ 8,476,409	$ 7,701,817	$ 6,508,831	$ 6,505,015	$ 5,922,830	$ 5,212,702	$ 3,925,000
District's covered payroll	$ 2,939,503	$ 2,928,570	$ 2,869,587	$ 2,649,178	$ 2,705,837	$ 2,869,639	$ 2,878,981	$ 2,775,199
District's proportionate share of the net pension liability as a percentage of its covered payroll	243.796%	289.439%	268.395%	245.692%	240.407%	206.396%	181.061%	141.431%
Plan fiduciary net position as a percentage of the total pension liability	57.330%	47.810%	50.450%	53.540%	53.324%	55.500%	59.970%	66.800%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:								
District's proportion of the net pension liability	0.2625%	0.2582%	0.2703%	0.2652%	0.2742%	0.2983%	0.2890%	0.3130%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	$ 34,162,188	$ 36,589,648	$ 36,878,943	$ 34,721,621	$ 73,991,272	$ 88,012,097	$ 67,250,939	$ 64,327,679
Total	$ 34,162,188	$ 36,589,648	$ 36,878,943	$ 34,721,621	$ 73,991,272	$ 88,012,097	$ 67,250,939	$ 64,327,679
District's covered payroll	$ 9,703,438	$ 9,624,955	$ 9,656,733	$ 9,421,756	$ 9,595,150	$ 9,990,966	$ 9,698,343	$ 9,810,348
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	65.590%	58.270%	58.800%	59.300%	39.830%	35.220%	42.490%	45.590%

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

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
COUNTY EMPLOYEES RETIREMENT SYSTEM:									
Contractually required contribution	$ 659,671	$ 567,324	$ 565,214	$ 465,447	$ 383,624	$ 377,470	$ 356,400	$ 367,070	$ 381,329
Contributions in relation to the contractually required contribution	659,671	567,324	565,214	465,447	383,624	377,470	356,400	367,070	381,329
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 3,116,065	$ 2,939,503	$ 2,928,570	$ 2,869,587	$ 2,649,178	$ 2,705,837	$ 2,869,639	$ 2,878,981	$ 2,775,199
District's contributions as a percentage of its covered payroll	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%	13.74%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:									
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 10,368,090	$ 9,703,438	$ 9,624,955	$ 9,656,733	$ 9,421,756	$ 9,595,150	$ 9,990,966	$ 9,698,343	$ 9,810,348
District's contributions as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:					
District's proportion of the net OPEB liability	0.11237%	0.11048%	0.10948%	0.10687%	0.11113%
District's proportionate share of the net OPEB liability	$ 2,151,344	$ 2,667,828	$ 1,841,421	$ 1,897,420	$ 2,234,174
District's covered payroll	$ 2,939,503	$ 2,928,570	$ 2,869,587	$ 2,649,178	$ 2,705,837
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.187%	91.097%	64.170%	71.623%	82.569%
Plan fiduciary net position as a percentage of the total OPEB liability	62.91%	51.67%	60.44%	57.62%	52.40%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:					
District's proportion of the net OPEB liability	0.25490%	0.25076%	0.26232%	0.25668%	0.26480%
District's proportionate share of the net OPEB liability	$ 3,018,000	$ 3,514,000	$ 4,247,000	$ 4,784,000	$ 5,197,000
State's proportionate share of the net OPEB liability associated with the District	2,451,000	2,815,000	3,430,000	4,123,000	4,245,000
Total	$ 5,469,000	$ 6,329,000	$ 7,677,000	$ 8,907,000	$ 9,442,000
District's covered payroll	$ 8,315,500	$ 8,196,200	$ 7,496,200	$ 8,184,725	$ 8,323,551
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	36.294%	42.874%	56.655%	58.450%	62.437%
Plan fiduciary net position as a percentage of the total OPEB liability	51.74%	39.10%	32.58%	25.50%	21.18%

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

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:					
District's proportion of the net OPEB liability	0.24917%	0.24519%	0.25643%	0.25085%	0.25878%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the District	33,000	85,000	80,000	71,000	57,000
Total	$ 33,000	$ 85,000	$ 80,000	$ 71,000	$ 57,000
District's covered payroll	$ 8,315,500	$ 8,196,200	$ 7,496,200	$ 8,184,725	$ 8,323,551
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total OPEB liability	89.15%	71.57%	73.40%	75.00%	79.99%

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

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:						
Contractually required contribution	$ 180,108	$ 139,921	$ 137,301	$ 150,957	$ 124,487	$ 127,980
Contributions in relation to the contractually required contribution	180,108	139,921	137,301	150,957	124,487	127,980
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	$ 3,116,055	$ 2,939,517	$ 2,884,475	$ 2,869,587	$ 2,649,178	$ 2,705,837
District's contributions as a percentage of its covered payroll	5.78%	4.76%	4.76%	5.26%	4.70%	4.73%
KENTUCKY TEACHER'S RETIREMENT SYSTEM MEDICAL INSURANCE PLAN:						
Contractually required contribution	$ 286,981	$ 249,465	$ 245,886	$ 224,886	$ 245,542	$ 249,708
Contributions in relation to the contractually required contribution	286,981	249,465	245,886	224,886	245,542	249,708
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	$ 9,566,033	$ 8,315,500	$ 8,196,200	$ 7,496,200	$ 8,184,725	$ 8,323,551
District's contributions as a percentage of its covered payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:						
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered payroll	$ 9,566,033	$ 8,315,500	$ 8,196,200	$ 7,496,200	$ 8,184,725	$ 8,323,551
District's contributions as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

(1) CHANGES OF ASSUMPTIONS

KTRS

In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

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 2025 with projection scale BB, set forward two year for males and one year for females rather than the RP-2000 Mortality Tables projected to 2020 with projection scale AA, which was used prior to 2016.

The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2018:

- Increased the Single Equivalent Interest rate (SEIR) from 4.49% to 7.50%

In the 2020 valuation, rates of withdrawal, retirement, disability, mortality and salary increase were adjusted to more closely reflect actual experience. 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 7.5% to 7.1% and the price inflation assumption was lowered from 3% to 2.5%.

CERS

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

- The assumed investment 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 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is 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 more accurately reflect experience.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%
- Decreased the assumed rate of return to 6.25%
- Decreased the payroll growth assumption to 2.00%

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service).
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

(2) METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	26.5 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increase	3.0% to 7.5%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation

CERS

The actuarially determined contribution rates are determined on a biennial basis beginning with the fiscal year ended 2019, determined as of July 1, 2017. The amortization period of the unfunded liability has been reset as of July 1, 2013 to a closed 30-year period. The following actuarial methods and assumptions were used to determine contribution rates for the year ending June 30, 2019:

Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	25 years, closed
Payroll growth	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 Increase	3.30% to 11.55%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

(3) CHANGES OF BENEFITS

KTRS

There were no changes of benefit terms for KTRS.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2019 is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for qualified members who become "totally and permanently disabled" as a result of a duty-related disability. The minimum disability benefit increased from 25% of the member's monthly final rate of pay to 75% of the member's monthly average pay. The insurance premium for the member, the member's spouse, and the member's dependent children shall also be paid in full by the System. For non-hazardous members to be eligible for this benefit, they must be working in a position that could be certified as a hazardous position. There were no other material plan provision changes since the prior valuation.

(1) CHANGES OF ASSUMPTIONS

KTRS

Medical Insurance Plan & Life Insurance Plan: The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2020:

- 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 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

CERS Insurance Fund

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%
- Decreased the assumed rate of return to 6.25%
- Decreased the payroll growth assumption to 2.00%

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service).
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the June 30, 2020 measurement date, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.9% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

(2) METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

Medical Insurance Plan – The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts. For 2021, the KTRS Board of Trustees approved a single contribution amount of up to $679.84. KTRS will contribute this amount towards insurance costs, less the Shared Responsibility cost of $148.50.

Life Insurance Plan - The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	26 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.2%
Discount rate	7.50%

CERS Insurance Fund

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2021:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
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 Increase	3.30% to 11.55%, 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 to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 5.50% at and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS non-hazardous and hazardous.

(3) CHANGES OF BENEFITS

KTRS

Medical Insurance Plan – There were no changes of benefit terms.

Life Insurance Plan - There were no changes of benefit terms.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2019, is determined using these updated benefit provisions.

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.

SUPPLEMENTARY INFORMATION

LEWIS COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Student Activity Fund	Capital Outlay Fund	FSPK Funds	Debt Service Funds	District Activity Fund	Total Non-Major Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 232,570	$ -	$ -	$ 4	$ 6,552	$ 239,126
Accounts receivable	-	-	-	-	-	-
Total assets	$ 232,570	$ -	$ -	$ 4	$ 6,552	$ 239,126
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ 35	$ 35
Total liabilities	-	-	-	-	35	35
Fund Balances:						
Assigned	-	-	-	-	-	-
Restricted	232,570	-	-	4	6,517	239,091
Total fund balance	232,570	-	-	4	6,517	239,091
Total liabilities and fund balances	$ 232,570	$ -	$ -	$ 4	$ 6,517	$ 239,126

LEWIS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Student Activity Fund	Capital Outlay Fund	FSPK Fund	Debt Service Funds	District Activity Fund	Total Non-Major Governmental Funds
REVENUES:						
From local sources -						
Property taxes	$ -	$ -	$ 621,624	$ -	$ -	$ 621,624
Earnings on investments	-	-	-	-	-	-
Intergovernmental - State	-	202,680	1,234,924	868,228	-	2,305,832
Other local revenues	532,804	-	-	-	1,465	534,269
Total revenues	532,804	202,680	1,856,548	868,228	1,465	3,461,725
EXPENDITURES:						
Current -						
Facilities acquisition and construction	-	-	-	-	-	-
Student support						
Students	537,646	-	-	-	4,922	542,568
Debt service	-	-	-	2,600,704	-	2,600,704
Total expenditures	537,646	-	-	2,600,704	4,922	3,143,272
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,842)	202,680	1,856,548	(1,732,476)	(3,457)	318,453
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	1,732,475	-	1,732,475
Operating transfers out	-	(202,680)	(1,856,548)	-	-	(2,059,228)
Total other financing sources (uses)	-	(202,680)	(1,856,548)	1,732,475	-	(326,753)
NET CHANGE IN FUND BALANCES	(4,842)	-	-	(1)	(3,457)	(8,300)
FUND BALANCE JUNE 30, 2021	237,412	-	-	5	9,974	247,391
FUND BALANCE JUNE 30, 2022	$ 232,570	$ -	$ -	$ 4	$ 6,517	$ 239,091

LEWIS COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2022

	2008R Bond Fund	2012 Bond Fund	2012R Bond Fund	2015R Bond Fund	2016R Bond Fund	2016R 2nd Bond Fund	2017 Bond Fund	2017B Bond Fund	2021 Bond Fund	2021B Bond Fund	Totals Debt Service Fund
ASSETS:											
Cash and cash equivalents	$ 2	$ -	$ -	$ 2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 2	$ -	$ -	$ 2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4
LIABILITIES AND FUND BALANCE:											
Liabilities:											
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:											
Restricted	2	-	-	2	-	-	-	-	-	-	4
Total fund balance	2	-	-	2	-	-	-	-	-	-	4
Total liabilities and fund balances	$ 2	$ -	$ -	$ 2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4

LEWIS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2008R Bond Fund	2012 Bond Fund	2012R Bond Fund	2015R Bond Fund	2016R Bond Fund	2016R 2nd Bond Fund	2017 Bond Fund	2017B Bond Fund	2021 Bond Fund	2021B Bond Fund	Totals Debt Service Fund
REVENUES:											
Intergovernmental - State	$ -	$ 74,531	$ 43,451	$ 70,310	$ 57,868	$ 41,748	$ -	$ 428,805	$ -	$ 151,515	$ 868,228
Interest income	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	74,531	43,451	70,310	57,868	41,748	-	428,805	-	151,515	868,228
EXPENDITURES:											
Debt service	-	74,531	200,319	165,188	140,000	305,419	65,050	1,071,703	394,319	184,175	2,600,704
Total expenditures	-	74,531	200,319	165,188	140,000	305,419	65,050	1,071,703	394,319	184,175	2,600,704
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(156,868)	(94,878)	(82,132)	(263,671)	(65,050)	(642,898)	(394,319)	(32,660)	(1,732,476)
OTHER FINANCING SOURCES (USES):											
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Operating transfers in (out)	(1)	-	156,868	94,878	82,132	263,671	65,050	642,898	394,319	32,660	1,732,475
Total other financing sources (uses)	(1)	-	156,868	94,878	82,132	263,671	65,050	642,898	394,319	32,660	1,732,475
NET CHANGE IN FUND BALANCES	(1)	-	-	-	-	-	-	-	-	-	(1)
FUND BALANCE JUNE 30, 2021	3	-	-	2	-	-	-	-	-	-	5
FUND BALANCE JUNE 30, 2022	$ 2	$ -	$ -	$ 2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Cash Balance June 30, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Restricted Fund Balance June 30, 2022
Lewis County High School	$ 91,028	$ 284,970	$ 309,200	$ 66,798	$ -	$ 3,116	$ 63,682
Lewis County Central Elementary	30,843	77,662	67,104	41,401	-	-	41,401
Garrison Elementary	35,568	16,588	18,002	34,154	-	-	34,154
Tollesboro Elementary	19,400	56,031	45,358	30,073	-	-	30,073
Laurel Elementary	12,578	8,953	9,765	11,766	-	-	11,766
Lewis County Middle School	28,313	66,386	63,404	31,295	-	-	31,295
Foster Meade CTC	21,168	24,281	26,881	18,568	-	-	18,568
	$ 238,898	$ 534,871	$ 539,714	$ 234,055	$ -	$ 3,116	$ 230,939

LEWIS COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
LEWIS COUNTY HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2022

	Cash Balance June 30, 2021	Receipts	Disburse-ments	Cash Balance June 30, 2022	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2022
Academic Team	$ 172	$ 910.00	$ 898	184	$ -	$ 184
Art	10	-	-	10	-	10
Band	361	8,465	7,775	1,051	(1,293)	(242)
Baseball	14	18,330	17,571	773	-	773
Basketball - Boys	8,441	23,657	27,581	4,517	-	4,517
Basketball - Girls	2,082	18,043	19,385	740	-	740
Beta Club	902	2,290	1,215	1,977	-	1,977
Boys Golf	3,748	2,080	3,262	2,566	-	2,566
Cheerleaders	3,304	10,472	13,457	319	-	319
Freshmen 2025	1,759	-	1,759	-	-	-
Sophomores 2024	-	3,508	300	3,208	-	3,208
Juniors 2023	-	10,025	6,929	3,096	-	3,096
Seniors 2022	3,976	-	3,145	831	-	831
College Class	17,320	36,157	52,983	494	-	494
Drama	10,367	11,227	11,874	9,720	-	9,720
Football	85	21,423	18,391	3,117	-	3,117
Girls Golf	2,482	360	1,091	1,751	-	1,751
Girls Volleyball	95	9,973	9,872	196	-	196
JFL	815	3,477	8,867	(4,575)	-	(4,575)
Keith Prater Scholarship	3,204	1,232	750	3,686	-	3,686
LCHS Hall of Fame	-	500	453	47	-	47
Library	49	126	-	175	-	175
Lions Lounge	30	-	-	30	-	30
Offices	155	2,330	2,048	437	(1,010)	(573)
Pep Club	12	390	180	222	-	222
ROTC	8,908	8,137	2,786	14,259	-	14,259
ROTC Senior Trip	9,018	5,831	8,218	6,631	-	6,631
Senior Trip	-	3,878	3,485	393	-	393
Softball	4,638	27,615	29,102	3,151	-	3,151
LCHS Student Council	171	-	-	171	-	171
Spanish	731	-	731	-	-	-
Sport Gate	973	33,343	37,239	(2,923)	(813)	(3,736)
Student Enhancement	540	4,775	3,505	1,810	-	1,810
Sunshine Committee	241	570	377	434	-	434
Tennis	1	-	-	1	-	1
Track	495	3,120	3,524	91	-	91
Yearbook	2,811	7,626	6,314	4,123	-	4,123
Youth Service Center	3,118	5,100	4,133	4,085	-	4,085
	$ 91,028	$ 284,970	$ 309,200	$ 66,798	$ (3,116)	$ 63,682

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures	
U.S. Department of Education					
Passed through Kentucky Department of Education:					
Title I Grants to Local Educational Agencies	84.010	3100002-21	-	$ 823,434	
Title I Grants to Local Educational Agencies	84.010	3100002-20	-	153,501	
Title I Grants to Local Educational Agencies	84.010	3100002-19	-	2,050	
				978,985	*
Special Education Cluster (IDEA):					
Special Education Grants to States - IDEA, Part B	84.027	3810002-21	-	471,221	
Special Education Grants to States - IDEA, Part B	84.027	3810002-20	-	11,206	
Special Education Grants to States - IDEA, Part B	84.027	3810002-19	-	11,328	
Special Education Grants to States - IDEA, Part B - ARPA	84.027X	4900002-21	-	12,029	
Special Education Grants to States - IDEA, Part B, Preschool	84.173	3800002-21	-	746	
Special Education Grants to States - IDEA, Part B, Preschool	84.173	3800002-20	-	15,659	
Special Education Grants to States - IDEA, Part B, Preschool	84.173	3800002-19	-	5,203	
Special Education Grants to States - IDEA, Part B, Preschool - ARPA	84.173X	4900002-21	-	16,462	
Total Special Education Cluster				543,854	
Title VI - Rural & Low Income	84.358	3140002-20		10,130	
Title VI - Rural & Low Income	84.358	3140002-19		29,870	
				40,000	
Improving Teacher Quality State Grants	84.367	3230002-21	-	14,369	
Improving Teacher Quality State Grants	84.367	3230002-20	-	108,441	
				122,810	
Student Support and Academic Enrichment Grant	84.424	34200002-21	-	10,265	
Student Support and Academic Enrichment Grant	84.424	34200002-20	-	68,468	
Student Support and Academic Enrichment Grant	84.424	34200002-19	-	1,501	
				80,234	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-21	-	1,072,499	
COVID-19 - ESSER II Digital Learning Coaches	84.425D	42000003-21	-	2,654	
COVID-19 - ESSER II Digital Learning Coaches	84.425D	42000003-20	-	2,648	
COVID-19 - ESSER II Vaccine Incentive	84.425D	554GV	-	21,700	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-20	-	27,035	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-21	-	789,424	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300003-21	-	2,816	
				1,918,776	*
Vocational Education Basic Grants to States	84.048	3710002-21	-	36,297	
Vocational Education Basic Grants to States	84.048	3710002-20	-	7,358	
Vocational Education Basic Grants to States	84.048	3710002-18	-	17	
				43,672	
Total U.S. Department of Education				3,728,331	
U.S. Department of Treasury					
Passed through Kentucky Department of Education:					
Coronavirus Relief Fund - Last Mile Internet	21.019	CARE-20	-	4,668	
Total U.S. Department of Treasury				4,668	
U.S. Department of Defense					
Direct:					
ROTC	12.000	504I	-	36,150	
Total U.S. Department of Defense				36,150	

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services				
Pass-through Kentucky Department of Education:				
Promoting Adolescent Health Through School-Based Surveillance	93.079	493F	-	1,350
Improving Student Health and Academic Achievement	93.981	2200001-21	-	9,669
Improving Student Health and Academic Achievement	93.981	2200001-20	-	3,671
				13,340
Total U.S. Department of Health and Human Services				14,690
U.S. Department of Labor				
Pass-through Buffalo Trace Area Development District:				
Workforce Investment Act - Youth Activity	17.259	588I	-	244,445
Workforce Investment Act - Youth Activity	17.259	588IC	-	10,693
Workforce Investment Act - Youth Activity	17.259	588G	-	4,889
Workforce Investment Act - Youth Activity	17.259	588GC	-	46,869
Total U.S. Department of Labor				306,896
U.S. Department of Agriculture				
Pass-through Kentucky Department of Education:				
State Administrative Expenses for Child Nutrition	10.560	7700001-20	-	3,758
COVID-19 State P-EBT Administrative Costs Grants	10.649	9990000-21	-	3,063
				6,821
Child Nutrition Cluster:				
National School Lunch Program	10.555	7750002-22	-	836,450
National School Lunch Program	10.555	7750002-21	-	148,431
National School Lunch Program	10.555	9980000-22	-	55,146
Summer Food Service Program for Children	10.559	7690024-21	-	20,307
Summer Food Service Program for Children	10.559	7740023-21	-	198,096
School Breakfast Program	10.553	7760005-22	-	306,488
School Breakfast Program	10.553	7760005-21	-	52,254
Subtotal				1,617,172
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	011-0100	-	84,192
Total Child Nutrition Cluster				1,701,364
Total U.S. Department of Agriculture				1,708,185
Total Expenditures of Federal Awards				$ 5,798,920

* Denotes major program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Lewis County School 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 operations of the Lewis County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE B - 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 limted 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. Paa-through entity identifying numbers are presented where available.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, commodities on hand are included in the total inventory of $30,810.

NOTE D - INDIRECT COST RATE

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

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Lewis County School District
Vanceburg, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities* and *State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lewis County School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 7, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated November 7, 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.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 7, 2022

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Lewis County School District
Vanceburg, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lewis County 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, misrepresentations, 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 generally accepted auditing standards, *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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kelley Galloway Smith Goolsby, PSC
Ashland, Kentucky
November 7, 2022

LEWIS COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

(A) SUMMARY OF AUDIT RESULTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Noncompliance material to the financial statements noted?	___ yes _x_ no
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes _x_ no

Identification of major federal programs:

COVID-19 – Elementary and Secondary School Emergency Relief Fund (84.425D and 84.425U)
Title I Grants to Local Educational Agencies (84.010)

Dollar threshold to distinguish between Type A and Type B Programs:	$ 750,000
The District qualified as a low risk auditee	_x_ yes ___ no

(B) FINANCIAL STATEMENT FINDINGS

None noted in the current year.

(C) FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings in the current year.

LEWIS COUNTY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

There were no findings in the prior year.

Kelley Galloway
Smith Goolsby, PSC
Certified Public Accountants and Advisors

1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
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Kentucky State Committee for School District Audits
Members of the Board of Education
Lewis County School District
Vanceburg, Kentucky

In planning and performing our audit of the financial statements of Lewis County School District (the "District") as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

However, during our audit, we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. This letter does not affect our report dated November 7, 2022, on the financial statements of the District.

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

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 7, 2022

2022-1 Activity Funds With Negative Balances – Lewis County Middle School

Statement of Condition: During our testing, we noted three accounts that had a negative balance at year-end.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds, "Redbook" individual school activity accounts and the school activity fund bank account as a whole shall not end the fiscal year with a negative (deficit) balance.

Cause of Condition: Oversight.

Effect of the Condition: The school is in violation of the Redbook.

Recommendation of the Condition: We recommend that disbursement only be made when there are enough funds to cover it.

Management Response: Applicable schools will be reminded that no activity account should end the fiscal year with a negative balance.

2022-2 Ticket Sales Issue – Lewis County High School

Statement of Condition: We noted that the wrong next available ticket was used for the student and adult tickets.

Criteria for Condition: Per the Redbook the next available ticket is the next unsold ticket and should be properly attached to the form.

Cause of Condition: Human error.

Effect of the Condition: Noncompliance with Redbook provisions that could result in the incorrect amount of money being calculated.

Recommendation of the Condition: We recommend that all required forms be used in accordance with Redbook.

Management Response: Applicable schools will be made aware of the noted ticket sale deficiencies and reminded of the Redbook ticket sale procedures.

2022-3 Ticket Sales Issue – Lewis County High School

Statement of Condition: During our testing of activity funds at the High School we noted an instance where only one person signed as the ticket seller and the deposit of gate receipts was made 7 days after being collected.

Criteria for Condition: Per Redbook guidelines two people are required to work a gate and each is to sign the Requisition Report of Ticket Sales form. Per Redbook guidelines, all deposits greater than $100 should be deposited the next business day.

Cause of Condition: Oversight.

Effect of the Condition: Noncompliance with Redbook provisions.

Recommendation of the Condition: We recommend that the Redbook provisions be followed.

Management Response: Applicable schools will be made aware of the noted ticket sale deficiencies and reminded of the Redbook ticket sale procedures.

2022-4 Ticket Sales Issue – Lewis Middle School

Statement of Condition: We noted that the wrong next available ticket was used for the student and adult tickets the deposit of gate receipts was made 2 days after being collected.

Criteria for Condition: Per the Redbook the next available ticket is the next unsold ticket and should be properly attached to the form. Per Redbook guidelines, all deposits greater than $100 should be deposited the next business day.

Cause of Condition: Human error.

Effect of the Condition: Noncompliance with Redbook provisions that could result in the incorrect amount of money being calculated.

Recommendation of the Condition: We recommend that all required forms be used in accordance with Redbook.

Management Response: Applicable schools will be made aware of the noted ticket sale deficiencies and reminded of the Redbook ticket sale procedures.

2022-5 Activity Funds With Negative Balances – Lewis County High School

Statement of Condition: During our testing, we noted one account that had a negative balance at year-end.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds, "Redbook" individual school activity accounts and the school activity fund bank account as a whole shall not end the fiscal year with a negative (deficit) balance.

Cause of Condition: Oversight.

Effect of the Condition: The school is in violation of the Redbook.

Recommendation of the Condition: We recommend that disbursement only be made when there are enough funds to cover it.

Management Response: Applicable schools will be reminded that no activity account should end the fiscal year with a negative balance.

2022-6 Activity Funds Reports – Tollesboro and Laurel Elementary Schools

Statement of Condition: During our testing, we noted the that Annual Financial Report was not completed and approved.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds, "Redbook" the school treasurer shall prepare the Annual Financial Report by July 25.

Cause of Condition: Oversight.

Effect of the Condition: The school is in violation of the Redbook.

Recommendation of the Condition: We recommend that all Redbook required reports be completed and approved by the stated deadline.

Management Response: Applicable schools will be reminded of the requirement to prepare and approve the annual financial report by July 25.

2022-7 Limited Contract of Employment Missing

Statement of Condition: During our testing, we noted one employee who did not have a limited contract of employment.

Criteria for Condition: Limited contracts of employment should be maintained for every employee.

Cause of Condition: Oversight.

Effect of the Condition: Terms of employment maybe questioned without a signed employment contract.

Management Response: The person responsible for the limited contracts of employment will ensure all limited contracts of employment are completed and filed as required next year.

2022-8 Additional Accounts Payables

Statement of Condition: During our testing, we noted an additional $384,000 of payables that were not recorded.

Criteria for Condition: All expenses should be recorded in the correct period.

Cause of Condition: Increased activity in the construction fund and new accounts payable employee.

Effect of the Condition: Expenses and liabilities were understated.

Management Response: The accounts payable employee will more closely examine invoices after the fiscal year end next year.

Status of Prior Year Management Points
All prior year conditions have been implemented and corrected. The Superintendent is the person responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately. The corrective action plan is the management response for each condition.

APPENDIX C

Lewis County School District Finance Corporation
School Building Revenue Bonds
Series 2022B

Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

Relating to:

$2,870,000

LEWIS COUNTY SCHOOL DISTRICT FINANCE CORPORATION

SCHOOL BUILDING REVENUE BONDS, SERIES 2023A

Dated as of: June 1, 2023

This CONTINUING DISCLOSURE CERTIFICATE (the "Certificate") is executed and delivered as of the 1st day of June, 2023 by the Board of Education of the Lewis County School District (the "Board") and Lewis County School District Finance Corporation (the "Issuer") in connection with the issuance of its $2,870,000 Lewis County School District Finance Corporation School Building Revenue Bonds, Series 2023A (the "Obligations"). The Obligations are being issued pursuant to a resolution adopted by the Board of Directors of the Issuer on April 13, 2023 (the "Authorizing Legislation"). The Issuer certifies, covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Obligations on an on-going basis as set forth herein for the benefit of Holders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule");

Section 2. Definitions; Scope of this Certificate. All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Authorizing Legislation and the Obligations. Notwithstanding the foregoing, the term "Disclosure Agent" shall mean the Issuer, or any disclosure agent appointed or engaged by the Issuer; any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

"*Annual Financial Information*" shall mean a copy of the annual audited financial information prepared for the Board which shall include, if prepared, a balance sheet, a statement of revenue and expenditure and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles as applied to governmental units, provided, however, that the Board may change the accounting principles used for preparation of such financial information so long as the Board includes as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. Any or all of the items listed above may be set forth in other documents, including Offering Documents of debt issues of the Board or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet Website or filed with the SEC. The Board shall clearly identify each such other document so incorporated by reference.

"*Beneficial Owner*" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations (including personal holding Obligations through nominees, depositories or other intermediaries).

"*Event*" shall mean any of the following events with respect to the Obligations:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
(vii) Modifications to rights of security holders, if material;
(viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(ix) Defeasances;
(x) Release, substitution or sale of property securing repayment of the securities, if material;
(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);
(xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(xv) Incurrence of a Financial Obligation of the Board, the Issuer, or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material; and
(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, the Issuer, or obligated person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Obligations.

"*Financial Obligation*" shall mean (a) a debt obligation, (b) a 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) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Holders*" shall mean any holder of the Obligations and any Beneficial Owner thereof.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

"*Offering Document*" shall mean the Official Statement, dated May 4, 2023.

"*Operating Data*" shall mean an update of the Operating Data contained in the Offering Document under the headings "BOND DEBT SERVICE," "DISTRICT STUDENT POPULATION," "LOCAL SUPPORT," and "SEEK ALLOTMENT".

"*Participating Underwriter*" shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

"*SEC*" shall mean the Securities and Exchange Commission.

"*State*" shall mean the Commonwealth of Kentucky.

Section 3. Disclosure of Information.

(A) Information Provided to the Public. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make, or shall cause the Disclosure Agent to make, public the information set forth in subsections (1), (2), and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data at least annually not later than 270 days after the end of the fiscal year ending June 30, commencing with the fiscal year ending June 30, 2023, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Board or the Issuer, then the Board shall provide the Annual Financial Information to the Disclosure Agent not later than fifteen Business Days prior to the disclosure date referenced above. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Financial Information.

(2) Events Notices. Notice of the occurrence of an Event, in a timely manner, not in excess of ten business days after the occurrence of the Event.

(3) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of Board or the Issuer to provide the Annual Financial Information or Operating Data by the date required herein.

(B) Information Provided to Public.

Annual Financial Information and, subject to the timing requirement set forth in subsection (A)(2) of this Section 3, notice of all Event occurrences shall be made public on the same day as notice thereof is given to the Holders of outstanding Obligations, if required pursuant to the Authorizing Legislation or the Obligations, and shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Board of the Issuer or the Disclosure Agent under this Certificate if it is transmitted as provided in subsection (C)(2) of this Section 3 by the following means:

(a) to the Holders of outstanding Obligations, by first class mail, postage prepaid;

(b) to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB; and/or

(c) to the SEC, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Board, the Issuer, or the Disclosure Agent is authorized to transmit information to the SEC by whatever means are mutually acceptable to the Disclosure Agent, the Board, or the Issuer, as applicable, and the SEC.

(2) Information shall be transmitted to the following:

(a) all information to be provided to the public in accordance with subsection (A) of this Section 3 shall be transmitted to the MSRB;

(b) all information described in clause (a) shall be made available to any Holder upon request, but need not be transmitted to the Holders who do not so request.

(c) to the extent the Board or the Issuer is obligated to file any Annual Financial Information or Operating Data with the MSRB pursuant to this Agreement, such Annual Financial Information or Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet Website or filed with the SEC.

With respect to requests for periodic or occurrence information from Holders, the Board, the Issuer, or the Disclosure Agent may require payment by requesting holders of a reasonable charge for duplication and transmission of the information and for the Board, the Issuer's, or the Disclosure Agent's administrative expenses incurred in providing the information.

Section 4. Amendment or Modification. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination. The Board and the Issuer's obligations under this Certificate shall terminate when all of the Obligations are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Board and the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Statement or notice of occurrence of an Event, in addition to that which is required by this Certificate. If the Board or the Issuer chooses to include any information in any Annual Financial Statement or notice of occurrence of an Event in addition to that which is specifically required by this Certificate, the Board or the Issuer, as the case may be, shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Statement or notice of occurrence of an Event.

(C) Defaults: Remedies. In the event of a failure of the Board, the Issuer, or the Disclosure Agent to comply with any provision of this Certificate any Holder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the Board, the Issuer, or the Disclosure Agent, as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not constitute a default on the Obligations and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Board, the Issuer, the Disclosure Agent, the Participating Underwriter and Holders, or beneficial owners thereof, and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations. The Issuer and the Board acknowledge and understand that other state and federal laws, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934 and Rule 10b 5 promulgated thereunder, may apply to the Board and the Issuer, and that under some circumstances compliance with this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Board and the Issuer under such laws.

Section 7. Notices. Any notices or communications to the Board or the Issuer may be given as follows:

To the Issuer: Lewis County School District Finance Corporation
251 Lions Lane
Vanceburg, Kentucky 41179
Attention: Secretary
Telephone: 606-796-2811
Fax: 606-796-3081

To the Board: Board of Education of Lewis County School District
251 Lions Lane
Vanceburg, Kentucky 41179
Attention: Secretary
Telephone: 606-796-2811
Fax: 606-796-3081

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, the Disclosure Agent, the Issuer and the Board have each caused their duly authorized officers to execute this Certificate, as of the date first written above.

LEWIS COUNTY SCHOOL DISTRICT FINANCE CORPORATION, Issuer

By: ______________________________
President

Attest:

____
Secretary

BOARD OF EDUCATION OF LEWIS COUNTY SCHOOL DISTRICT

By: ______________________________
Chairperson

Attest:

____
Secretary

APPENDIX D

Lewis County School District Finance Corporation
School Building Revenue Bonds
Series 2023A

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$2,870,000*

Lewis County School District Finance Corporation
School Building Revenue Bonds, Series 2023A
Dated June 1, 2023

SALE: May 11, 2023 at 11:00 A.M., E.D.T.

As advertised on BiDCOMP™/PARITY™, the Secretary of the Lewis County School District Finance Corporation (the "Corporation") will until May 11, 2023, at the hour of 11:00 A.M., E.T., at the office of the Executive Director of the Kentucky School Facilities Construction, 700 Louisville Road, Frankfort, Kentucky 40601, receive sealed competitive bids for the revenue bonds (the "Bonds") herein described. To be considered, Bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be opened by the Secretary and may be accepted without further action by the Corporation's Board of Directors.

*Subject to Permitted Adjustment.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

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

The Bonds are being issued to finance the acquisition, construction, installation and equipping of improvements at the Foster Meade Career & Technical Center and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school building to the Board under a Contract, Lease and Option (the "Lease") on a year to year basis; the first rental period ending June 30, 2023. The statutory mortgage lien securing the Bonds is limited in its application to the exact site of the Project constructed from the proceeds of the Bonds, real estate unoccupied by the Project is unencumbered. The Board has reserved the right to obtain the release of the statutory mortgage lien and revenue pledge on the site of the Project by effecting the redemption or defeasance of the proportionate part of the Bonds then outstanding as was expended on the site being released. Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of the Bonds have the right to have a receiver appointed to administer the Project under KRS 162.220; foreclosure and sale are not available as remedies.

The rental of the Project from the Corporation to the Board is to be effected under the Lease, whereunder the Project is leased to the Board for an initial period ending June 30, 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 is legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements on the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually, until June 1, 2044 directly to the Paying Agent for the Bonds a stated agreed participation of approximately 23% of the debt service requirements for the Bonds herein identified until such date, subject to the constitutional restrictions limiting the commitment to the biennial; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of the Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

The Kentucky School Facilities Construction Commission (the "Commission") is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of §§ 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner which will ensure an equitable distribution of funds based upon unmet need. Pursuant to the provisions of the Act, the Regulations of the State Board of Education and of the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of the Projects and has entered into the Participation Agreement with the Board whereunder the Commission agrees to pay an Agreed Participation equal to approximately 23% of the debt service requirements each year to be applied only to the payment of the principal and interest requirements on the Bonds; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2023. The right is reserved in the Commission to terminate the commitment to pay the Agreed Participation every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

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

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from the date of initial issuance and delivery, payable on December 1, 2023, and semiannually each June 1 and December 1 thereafter and shall mature as to principal on June 1, 2024 and June 1 in each of the years thereafter as follows:

MATURITY	AMOUNT[1]	MATURITY	AMOUNT*
June 1, 2024	$10,000	June 1, 2035	$15,000
June 1, 2025	10,000	June 1, 2036	15,000
June 1, 2026	10,000	June 1, 2037	15,000
June 1, 2027	10,000	June 1, 2038	15,000
June 1, 2028	10,000	June 1, 2039	15,000
June 1, 2029	10,000	June 1, 2040	15,000
June 1, 2030	10,000	June 1, 2041	15,000
June 1, 2031	10,000	June 1, 2042	700,000
June 1, 2032	10,000	June 1, 2043	1,880,000
June 1, 2033	15,000	June 1, 2044	65,000

The Bonds maturing on or after September 1, 2031, are subject to redemption prior to their stated maturities on any date falling on or after September 1, 2030, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the registered Owners of the Bonds so selected not less than thirty days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities on any date, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the registered Owners of the Bonds so selected not less than thirty days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

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

FINAL OFFICIAL STATEMENT

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

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

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

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on Official Bid Form, contained in the Official Statement available from the undersigned or RSA Advisors, LLC 147 East Third Street, Lexington, Kentucky 40508, enclosed in sealed envelopes marked "Bid for School Building Revenue Bonds." Bids may alternatively be submitted electronically via BiDCOMP™/PARITY™ system. Electronic bids for the Bonds must be submitted through the BiDCOMP™/PARITY™ system and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/PARITY™ system is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by the BiDCOMP™/PARITY™ system shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in the BiDCOMP™/PARITY™ system conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of the BiDCOMP™/PARITY™ system shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by the BiDCOMP™/PARITY™ system. The use of the BiDCOMP™/PARITY™ system facilities are at the sole risk of the prospective bidders. For further information regarding the BiDCOMP™/PARITY™ system, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

(B) The minimum bid for the Bonds shall be not less than $2,518,600 (98% of par), plus accrued interest. Interest rates shall be in multiples 1/8 or 1/100 of 1% or both. Only one interest rate shall be permitted per Bond and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated for any maturity shall not be less than the interest rate for any preceding maturity. There is no limit on the number of different interest rates.

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

(D) The determination of the best purchase bid for each of the Bonds shall be made on the basis of all bids submitted for exactly $2,870,000 principal amount of Bonds offered for sale hereunder; but the Corporation may adjust the principal amount of Bonds which may be awarded to such best bidder upward by up to $3,155,000 or downward in an amount determined to be in the best interest of the Corporation (the "Permitted Adjustment"). The Corporation will accept or reject such best bid, provided, however, a Permitted Adjustment is reserved hereunder and the Corporation reserves the right to increase the total amount of Bonds by 10% or decrease the total amount of Bonds by an amount determined by the Corporation to be in its best interest. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $1,000 of Bonds as the price per $1,000 for the $2,870,000 of Bonds bid.

(E) If three 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 bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will be required to certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing Wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, (ii) the initial offering price to the public as of the Sale Date of any Maturity of the Bonds, and (iii) that they neither offered nor sold any of the Bonds of any Maturity to any person at a price that is higher than the initial offering price for such Maturity during the Holding Period for such Maturity. Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the winning bidder shall advise the Corporation on the Sale Date if any maturity of the Bonds satisfies the 10% test set forth in (i) above as of the date and time of the award of the Bonds.

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 11, 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).

(F) CUSIP identification numbers will be printed on the Bonds at the expense of the purchaser. The purchaser shall pay the CUSIP Service Bureau Charge and the cost of printing the Final Official Statement. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

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

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

(I) The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. They will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Purchases of the Bonds under the DTC system must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the "Direct Participants"), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of Direct Participants or securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the "Indirect Participants"). Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") the Board and the Corporation (the "Obligated Persons") will agree pursuant to a Continuing Disclosure Certificate to be dated as of the date of initial issuance and delivery (the "Disclosure Certificate"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(a) to the Municipal Securities Rulemaking Board ("MSRB") or any successor thereto for purposes of the 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, certain annual financial information and operating data, including audited financial statements, generally consistent with the information contained under the headings "Bond Debt Service", "Local Support"-Local Tax Rates, -Property Assessments and Revenue Collections, -District's Largest Taxpayers, -Overlapping Bond Indebtedness", "SEEK Allotment" and in Appendix B of the Official Statement for the Bonds (the "Annual Financial Information"); such information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Obligated Persons and is publicly available. The annual financial information shall be provided on or before the 270th day following the fiscal year ending on the preceding June 30;

(b) to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

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

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

(viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the issuer or Obligated Person, any of which reflect financial difficulties; and

(vii) The cure, in the manner provided under the Bond Resolution, of any payment or nonpayment related default under the Bond Resolution.

(c)to the MSRB, notice of a failure (of which the Obligated Persons have knowledge) of an Obligated Person to provide the required Annual Financial Information on or before the date specified in the Disclosure Certificate.

The Disclosure Certificate provides bondholders, including beneficial owners of the Bonds, with certain enforcement rights in the event of a failure by the Obligated Persons to comply with the terms thereof; however, a default under the Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Disclosure Certificate, the form of which is attached to the Official Statement as Appendix C, should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction with respect to material events as defined under the Rule:

(a) there are no debt service reserve funds applicable to the Bonds;

(b) there are no credit enhancements applicable to the Bonds; and

(c) there are no liquidity providers applicable to the Bonds.

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

The Board has adopted procedures to assure timely and complete filings in the future with regard to the Rule in order to provide required financial reports and operating data or notices of material events.

TAX TREATMENT

Bond Counsel is of the opinion that:

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

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

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

LEWIS COUNTY SCHOOL
DISTRICT FINANCE CORPORATION

By:_________________________
Secretary

APPENDIX E

Lewis County School District Finance Corporation
School Building Revenue Bonds
Series 2023A

Official Bid Form

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $2,870,000 of School Building Revenue Bonds, Series 2023A, dated the date of initial issuance and delivery (the "Bonds") offered for sale by the Lewis County School District Finance Corporation (the "Corporation"), an agency and instrumentality acting on behalf of the Board of Education of the Lewis County School District and in accordance with the Notice of Bond Sale, as advertised on BiDCOMP™/PARITY™, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said $2,870,000 principal amount of the Bonds, the total sum of $__________ (not less than $2,518,600) plus accrued interest from June 1, 2023, at the following annual rate(s), payable semiannually (rates on ascending scale, number of interest rates unlimited):

MATURITY	AMOUNT*	INTEREST RATE	MATURITY	AMOUNT*	INTEREST RATE
June 1, 2024	$10,000	_____%	June 1, 2035	$15,000	_____%
June 1, 2025	10,000	_____%	June 1, 2036	15,000	_____%
June 1, 2026	10,000	_____%	June 1, 2037	15,000	_____%
June 1, 2027	10,000	_____%	June 1, 2038	15,000	_____%
June 1, 2028	10,000	_____%	June 1, 2039	15,000	_____%
June 1, 2029	10,000	_____%	June 1, 2040	15,000	_____%
June 1, 2030	10,000	_____%	June 1, 2041	15,000	_____%
June 1, 2031	10,000	_____%	June 1, 2042	700,000	_____%
June 1, 2032	10,000	_____%	June 1, 2043	1,880,000	_____%
June 1, 2033	15,000	_____%	June 1, 2044	65,000	_____%

*Subject to Permitted Adjustment.

We understand this bid may be accepted for as much as $3,155,000 or as little as is deemed by the Issuer to be in the Issuer's best interest, at the same price per $1,000 Bond, with the variation in such amount occurring in any maturity of all maturities, which will be determined by the Corporation at the time of acceptance of the best bid.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Dinsmore & Shohl LLP, Bond Counsel, of Covington, Kentucky.

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

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

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

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

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the Issuer determines to apply the hold-the-offering-price rule. For purposes of the above the following terms are defined as follows:

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 11, 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).

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

Respectfully submitted,

____

Bidder

____

Address

____

Signature

Total interest cost from June 1, 2023 to final maturity	$____________________
Plus discount	$____________________
Net interest cost (Total interest cost plus discount)	$____________________
Average interest rate or cost	____________________%

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

Accepted by the Secretary of the Lewis County School District Finance Corporation for $__________________ principal amount of Bonds at the price of $________________ as follows:

MATURITY	AMOUNT	INTEREST RATE	MATURITY	AMOUNT	INTEREST RATE
June 1, 2024	$________	_____%	June 1, 2034	$________	_____%
June 1, 2025	________	_____%	June 1, 2035	________	_____%
June 1, 2026	________	_____%	June 1, 2036	________	_____%
June 1, 2027	________	_____%	June 1, 2037	________	_____%
June 1, 2028	________	_____%	June 1, 2038	________	_____%
June 1, 2029	________	_____%	June 1, 2039	________	_____%
June 1, 2030	________	_____%	June 1, 2040	________	_____%
June 1, 2031	________	_____%	June 1, 2041	________	_____%
June 1, 2032	________	_____%	June 1, 2042	________	_____%
June 1, 2033	________	_____%	June 1, 2043	________	_____%
June 1, 2034	________	_____%	June 1, 2044	________	_____%

Dated: June 1, 2023

____

Secretary
Lewis County School District
Finance Corporation