PRELIMINARY OFFICIAL STATEMENT

DATED FEBRUARY 7, 2024

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

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; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. All subject to the qualifications described herein under the heading "Tax Exemption." The Bonds and interest thereon are exempt from income taxation and ad valorem taxation by the Commonwealth of Kentucky and political subdivisions thereof (see "Tax Exemption" herein)

$3,265,000
RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES OF 2024

Dated with Delivery: MARCH 7, 2024 **Due: as shown below**

Interest on the Bonds is payable each March 1 and September 1, beginning September 1, 2024. The Bonds will mature as to principal on March 1, 2025, 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-Mar	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Mar	Amount*	Interest Rate	Reoffering Yield	CUSIP
2025	$10,000	%%	%%		2035	$180,000	%%	%%	
2026	$10,000	%%	%%		2036	$185,000	%%	%%	
2027	$10,000	%%	%%		2037	$190,000	%%	%%	
2028	$10,000	%%	%%		2038	$200,000	%%	%%	
2029	$150,000	%%	%%		2039	$210,000	%%	%%	
2030	$155,000	%%	%%		2040	$215,000	%%	%%	
2031	$160,000	%%	%%		2041	$250,000	%%	%%	
2032	$165,000	%%	%%		2042	$260,000	%%	%%	
2033	$170,000	%%	%%		2043	$275,000	%%	%%	
2034	$175,000	%%	%%		2044	$285,000	%%	%%	

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

The Russellville Independent (Kentucky) School District Finance Corporation will until February 15, 2024, at 11:00 A.M., E.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed $325,000.**

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.

R S A
advisors

RUSSELLVILLE INDEPENDENT
BOARD OF EDUCATION

James Milam, Chairperson
Davonna Page, Member
Phillip West, Member
Lovis Patterson, Member
April Triplett, Member

Kyle Estes, Superintendent/Secretary

RUSSELLVILLE INDEPENDENT (KENTUCKY) SCHOOL DISTRICT
FINANCE CORPORATION

James Milam, President
Davonna Page, Member
Phillip West, Member
Lovis Patterson, Member
April Triplett, Member

Kyle Estes, Secretary/Treasurer

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

US 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 Russellville Independent School District Finance Corporation School Building Revenue Bonds, Series of 2024, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

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

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

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

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OFFICIAL STATEMENT
Relating to the Issuance of

$3,265,000*

RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2024

**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 Russellville Independent School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2024 (the "Bonds")

The Bonds are being issued to finance improvements to the Russellville Independent High School, Football Stadium and Elementary School (the "Projects").

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 school building Projects (as hereinafter defined) to the Russellville Independent Board of Education (the "Board") on a year to year basis (see "Security" herein).

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

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

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Lease Agreement, dated March 7, 2024, may be obtained at the office of Steptoe & Johnson PLLC, Bond Counsel, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

THE CORPORATION

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

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

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $12,681 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2024; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period through March 1, 2044, 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 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020 and 2022 regular sessions of the Kentucky General Assembly appropriated funds to be used for debt service of participating school districts. The appropriations for each biennium are shown in the following table:

Biennium	**Appropriation**
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	$120,337,000

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2024

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

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

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

The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

OUTSTANDING BONDS

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

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2015	$450,000	$290,000	$0	$450,000	2.200% - 3.500%	2035
2016-REF	$6,910,000	$3,570,000	$5,608,889	$1,301,111	2.000%	2028
2018	$425,000	$350,000	$141,704	$283,296	3.500% - 3.600%	2038
2020	$1,345,000	$1,280,000	$1,076,121	$268,879	2.250% - 2.650%	2040
TOTALS:	$9,130,000	$5,490,000	$6,826,714	$2,303,286		

AUTHORITY

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

i) the issuance of approximately $3,265,000 of Bonds subject to a permitted adjustment of $325,000;

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 March 7, 2024, will bear interest from that date as described herein, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2024, and will mature as to principal on March 1, 2025, 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). US Bank Trust Company, National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on March 1 and September 1 of each year, beginning September 1, 2024 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after March 1, 2033, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after March 1, 2032, in any order of maturities (less than all of a single maturity to be selected by lot),in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Redemption Date	Redemption Price
March 1, 2032, and thereafter	100%

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

SECURITY

General

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds are payable as to both principal and interest solely from the income and revenues derived from the leasing of the school building Project financed from the Bond proceeds from the Corporation to the Board. The Bonds are secured by a statutory mortgage lien and pledge of revenue from the school building Project; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance certain of the school building(s) which constitute the school building Projects (the "Parity Bonds"). Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of Bonds have the right to have a receiver appointed to administer the school building Project but foreclosure and sale are not available as remedies.

The Lease; Pledge of Rental Revenues

The Board has leased the school building Project securing the Bonds for an initial period from March 7, 2024, through June 30, 2024, 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 March 1, 2044, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for annual participation equal to approximately $12,681 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. The plan for financing the Project will require the Commission to pay approximately five percent (5%) of the debt service of the Bonds.

The Participation Agreement to be entered into with the Board will be limited to the biennial budget period of the Commonwealth of Kentucky, with the first such biennial period terminating on June 30, 2024. The right is reserved in the Commission to terminate the commitment to pay the agreed participation every two years thereafter. The obligation of the Commission to make payments of the agreed participation shall be automatically renewed each two years thereafter unless the Commission gives notice to the Board of its intention not to participate not less than sixty days prior to the end of the biennium. However, the Commission has expressed its intention to continue to pay the agreed participation in successive biennial budget periods through March 1, 2044, but the Commission is not required to do so.

STATE INTERCEPT

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

THE PROJECTS

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance improvements to the Russell Independent High School, Football Stadium, and Elementary School (the "Projects").

The Board has reported construction bids have been let for the Projects and award of the construction contract is expected prior to the sale and delivery of the Bonds.

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

ADDITIONAL PARITY BONDS

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project and secured by a statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds are in accordance with plans and specifications approved by the Board, Commissioner of Education, and filed in the office of the Secretary of the Corporation and a Lease shall be entered into whereunder the annual rental payments during the life of such additional bonds shall be increased by the amount of the annual principal and interest requirements of such additional bonds.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

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

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

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet approximately 95% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	----- Series 2024 School Building Revenue Bonds -----					Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	SFCC Portion	Local Portion	
2024	$665,401						$665,401
2025	$664,999	$10,000	$115,279	$125,279	$12,681	$112,598	$777,596
2026	$664,296	$10,000	$116,898	$126,898	$12,681	$114,217	$778,513
2027	$668,034	$10,000	$116,578	$126,578	$12,681	$113,897	$781,930
2028	$666,282	$10,000	$116,263	$126,263	$12,681	$113,582	$779,864
2029	$101,116	$150,000	$115,948	$265,948	$12,681	$253,267	$354,382
2030	$102,741	$155,000	$111,223	$266,223	$12,681	$253,542	$356,283
2031	$99,254	$160,000	$106,340	$266,340	$12,681	$253,659	$352,913
2032	$105,638	$165,000	$101,268	$266,268	$12,681	$253,587	$359,225
2033	$101,729	$170,000	$96,005	$266,005	$12,681	$253,324	$355,052
2034	$107,818	$175,000	$90,548	$265,548	$12,681	$252,867	$360,685
2035	$103,519	$180,000	$84,895	$264,895	$12,681	$252,214	$355,733
2036	$105,772	$185,000	$78,955	$263,955	$12,681	$251,274	$357,046
2037	$113,504	$190,000	$72,665	$262,665	$12,681	$249,984	$363,488
2038	$109,359	$200,000	$66,015	$266,015	$12,681	$253,334	$362,693
2039	$98,662	$210,000	$58,715	$268,715	$12,681	$256,034	$354,696
2040	$95,747	$215,000	$50,840	$265,840	$12,681	$253,159	$348,906
2041		$250,000	$42,563	$292,563	$12,681	$279,882	$279,882
2042		$260,000	$32,813	$292,813	$12,681	$280,132	$280,132
2043		$275,000	$22,543	$297,543	$12,681	$284,862	$284,862
2044		$285,000	$11,543	$296,543	$12,681	$283,862	$283,862
TOTALS:	$4,573,868	$3,265,000	$1,607,891	$4,872,891	$253,620	$4,619,271	$9,193,139

Notes: Numbers are rounded to the nearest $1.00

ESTIMATED USE OF BOND PROCEEDS

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

Sources:	
Par Amount of Bonds	$3,265,000.00
Total Sources	$3,265,000.00
Uses:	
Deposit to Construction Fund	$3,156,290.00
Underwriter's Discount (2%)	65,300.00
Cost of Issuance	43,410.00
Total Uses	$3,265,000.00

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	1,208.5	2012-13	943.3
2001-02	1,162.3	2013-14	953.3
2002-03	1,128.6	2014-15	937.7
2003-04	1,096.4	2015-16	913.9
2004-05	1,086.0	2016-17	927.9
2005-06	1,067.6	2017-18	921.6
2006-07	1,029.8	2018-19	888.9
2007-08	990.8	2019-20	869.6
2008-09	952.7	2020-21	869.6
2009-10	944.3	2021-22	907.2
2010-11	930.9	2022-23	907.2
2011-12	936.0		

Source: Kentucky Department of Education.

STATE SUPPORT

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

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

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

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

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

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	120,850.0	2012-13	94,329.2
2001-02	116,230.0	2013-14	95,330.7
2002-03	112,860.0	2014-15	93,772.7
2003-04	109,640.0	2015-16	91,392.5
2004-05	108,600.0	2016-17	92,790.0
2005-06	106,760.0	2017-18	92,160.0
2006-07	102,980.0	2018-19	88,885.0
2007-08	99,080.0	2019-20	86,960.0
2008-09	95,270.0	2020-21	86,960.7
2009-10	94,427.7	2021-22	90,721.8
2010-11	93,094.5	2022-23	90,721.8
2011-12	93,604.9		

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

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

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

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

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

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes $6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean $6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to $46,350 effective January 1, 2023.

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

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

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

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

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

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

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

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

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	73.1	226,671,640	1,656,970
2001-02	73.2	229,377,599	1,679,044
2002-03	74.2	234,184,178	1,737,647
2003-04	74.2	238,565,489	1,770,156
2004-05	72	236,613,811	1,703,619
2005-06	71.6	249,163,231	1,784,009
2006-07	80	256,311,955	2,050,496
2007-08	71.6	267,970,221	1,918,667
2008-09	79.5	278,205,013	2,211,730
2009-10	79.5	277,713,129	2,207,819
2010-11	83.4	267,725,877	2,232,834
2011-12	90.4	268,957,772	2,431,378
2012-13	88	275,843,505	2,427,423
2013-14	90.6	276,783,411	2,507,658
2014-15	94.2	281,885,907	2,655,365
2015-16	93.1	289,685,112	2,696,968
2016-17	94.8	288,000,861	2,730,248
2017-18	97	299,783,450	2,907,899
2018-19	98.8	297,600,134	2,940,289
2019-20	98.2	308,052,502	3,025,076
2020-21	99.1	321,536,999	3,186,432
2021-22	97.8	333,196,885	3,258,666
2022-23	96.9	356,279,537	3,452,349

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Russellville Independent School District or other issuing agency within Logan County as reported by the State Local Debt Officer for the period ending June 30, 2023.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Logan			
Solid Waste	7,450,000	0	7,450,000
Refinancing Refunding Revenue	3,835,000	2,885,000	950,000
City of Russellville			
Water & Sewer Revenue	148,000	81,500	66,500
Refinancing Refunding Revenue	10,000,000	3,475,000	6,525,000
Special Districts			
East Logan Water District	3,360,000	833,000	2,527,000
Logan Co. Library District	2,940,000	575,000	2,365,000
Logan/Todd Regional Water Commission	67,145,000	3,445,000	63,700,000
Russellville Housing Authority	1,455,000	0	1,455,000
Totals:	96,333,000	11,294,500	85,038,500

Source: 2023 Kentucky Local Debt Report

SEEK ALLOTMENT

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

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	4,640,366	1,656,970	6,297,336
2001-02	4,588,980	1,679,044	6,268,024
2002-03	4,711,548	1,737,647	6,449,195
2003-04	4,566,208	1,770,156	6,336,364
2004-05	4,629,376	1,703,619	6,332,995
2005-06	4,818,959	1,784,009	6,602,968
2006-07	4,729,704	2,050,496	6,780,200
2007-08	4,885,153	1,918,667	6,803,820
2008-09	4,746,897	2,211,730	6,958,627
2009-10	4,270,064	2,207,819	6,477,883
2010-11	4,149,451	2,232,834	6,382,285
2011-12	4,542,356	2,431,378	6,973,734
2012-13	4,536,722	2,427,423	6,964,145
2013-14	4,502,011	2,507,658	7,009,669
2014-15	4,704,647	2,655,365	7,360,012
2015-16	4,629,664	2,696,968	7,326,632
2016-17	4,766,102	2,730,248	7,496,350
2017-18	4,821,439	2,907,899	7,729,338
2018-19	4,646,389	2,940,289	7,586,678
2019-20	4,477,170	3,025,076	7,502,246
2020-21	4,355,181	3,186,432	7,541,613
2021-22	4,911,436	3,258,666	8,170,102
2022-23	5,058,274	3,452,349	8,510,623

(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 $0.9690 for FY 2022-23. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

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

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

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

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

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15 percent of the adjusted financial statement income on certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the minimum tax. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

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

CONTINUING DISCLOSURE

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

As of the date of this Official Statement, the Corporation and the Board are in compliance "in all material respects" with the reporting requirements of the Rule for the past five years.

Financial information regarding the Board may be obtained from Superintendent, Russellville Independent School District Board of Education, 355 S. Summer Street, Russellville, Kentucky 42276, Telephone 270-726-8405.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and will not be a specific item of tax preference for purposes of Federal income taxation. However, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minium tax imposed on corporations for tax years beginning after December 31, 2022.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2024, the Bonds are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

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

Original Issue Premium

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

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

Original Issue Discount

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

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

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

ABSENCE OF MATERIAL LITIGATION

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

APPROVAL OF LEGALITY

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

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

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

BOND RATING

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

MUNICIPAL ADVISOR

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

APPROVAL OF OFFICIAL STATEMENT

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

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

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

By /s/______________________
President

By /s/______________________
Secretary

APPENDIX A

Russellville Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Demographic and Economic Data

LOGAN COUNTY, KENTUCKY

Logan County, with an estimated 2023 population of 28,027, is located in southwestern Kentucky on the Kentucky/Tennessee border. Logan County, with a land area of 555 square miles, has a terrain ranging from gently rolling to hilly. Russellville, the county seat of Logan County, is situated in the central portion of the county and had an estimated 2023 population of 7,176. Russellville is located 50 miles north of Nashville, Tennessee; 138 miles southwest of Louisville, Kentucky; and 256 miles southeast of St. Louis, Missouri.

The Economic Framework

In 2023, Russellville had a labor force of 3,238 people, and Logan County had an unemployment rate of 4.4%. The top 5 jobs by occupation in Russellville were as follows: office and administrative support - 410 (11.31%); construction and extraction - 380 (10.49%); production workers - 374 (10.32%); sales - 340 (9.38%); and executive managers and administrators - 337 (9.3%).

Transportation

U.S. Highways 68, 79, 431, and Kentucky Highways 79 and 100 are "AAA"-rated trucking highways serving Logan County. Interchanges with Interstate 65 are located 25 miles southeast of Russellville via U.S. Highway 79. Rail services is provided to Russellville and Auburn by the R.J. Corman Railroad Company/Memphis Line. The Nashville International Airport, located 56 miles south of Russellville, provides the nearest scheduled commercial airline service. The Russellville-Logan County Airport, located 5 miles south of Russellville, provides the nearest scheduled commercial airline service. The Russellville-Logan County Airport maintains a 4,000-foot runway.

Power and Fuel

Electric power is provided to Russellville and Logan County by Tennessee Valley Authority which includes Pennyrile RECC, Russellville Electric Plant Board and Warren RECC. Natural gas is provided to Logan County by Atmos Energy Corporation and Bluegrass Gas Sales Inc.

Education

Primary and Secondary education is provided to Logan County by the Logan County School System and the Russellville Independent School System. There are forty-one colleges and universities within 50 miles of Russellville.

LOCAL GOVERNMENT

Structure

Logan County is governed by a county judge/executive and six (6) magistrates. Each county official is elected to a four-year term. Russellville, Adairville, Auburn, and Lewisburg are each governed by a mayor and six (6) council members. The mayors serve four-year terms, while the council members each serve two-year terms.

Planning and Zoning

Joint agency - Joint Logan County/Cities Planning Commission
Participating Cities - Russellville, Auburn, Adairville, and Lewisburg
Zoning enforced - within the corporate limits of Russellville, Auburn, Adairville, and Lewisburg
Subdivision regulations enforced - Building code in Russellville, Auburn, and Adairville
Local codes enforced - Building and housing in all areas
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 Cities of Adairville, Auburn, and Lewisburg each levy an occupational license tax of one and one-half percent on all salaries, wages, and commissions of individualism and one and one-half percent of new profits of all businesses. The City of Russellville levies an occupational license tax of two percent on salaries, wages, and commissions of individuals, and two percent on new profits of all businesses.

Sales and Use Tax

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

Property Taxes

The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside city limits may also be subject to city property taxes.

Special local taxing jurisdictions (fire protection districts, watershed districts, and sanitation districts) levy taxes within their operating areas (usually a small portion of community or county).

Property assessments in Kentucky are at 100% fair cash value. A 15% reduction is automatically granted for accounts receivable.

LABOR MARKET STATISTICS

The Logan County Labor Market Area includes Logan County and the adjoining Kentucky counties of Butler, Christian, Muhlenberg, Simpson, Todd, and Warren. In addition to these Kentucky Counties, the Tennessee counties of Montgomery and Robertson are included in the labor market area.

Population

Area	2021	2022	2023
Logan County	27,350	28,259	27,901
Russellville	7,097	7,383	7,191

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

Population Projections

Area	2025	2030	2035
Logan County	27,766	27,857	27,765

Source: Kentucky State Data Center, University of Louisville, August 2022.

EDUCATION

Public Schools

	Russellville Independent	Logan County
Total Enrollment (2022-2023)	998	3,308
Pupil-Teacher Ratio (2022-2023)	13-1	14-1

Vocational Training

Ky Tech Schools are operated by the Cabinet for Workforce Development and provide secondary (Sec) and postsecondary (P/S) vocational-technical training.

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 major 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.

Colleges and Universities

Institution	Location	Enrollment (Fall 2022)
Kentucky Wesleyan College	Owensboro, KY	780
Murray State University	Murray, KY	7,756
Western Kentucky University	Bowling Green, KY	14,440

Source: US News & World Report

EXISTING INDUSTRY

Firm	Product	Total Employed
Russellville:		
American Sustainable Pallets Inc.	Wood pallets & skid remanufacturing	10
Amtech LC	Industrial strength dust collectors, smoke collectors, fume collectors	15
C&J Mulch Inc.	Mulch and landscaping bark	7
Carpenter Co.	Carpet cushioning, polyester fiber, filler media and polyurethane foam for bedding	302
Cates Cabinets & Woodworking Co.	Custom wooden cabinets & specialty	17
Dar Pro Ingredients	Tallow by-products, animal hide, processed meat & bone meal	69
Emerson Electric Co.	Hermetic electric motors	335
H&H Sheet Metal Fabricators	Machine shop: MIG, TIG, arc, gas, portable & heliarc welding; sheet metal fabrication	135
Irving Materials Inc.	Ready-mixed concrete and concrete products	9
Logan Aluminum Inc.	Produces aluminum alloy rolled sheet stock	1,370
Mcintosh Design Fabrication Systems LLC	Arc, gas, MIG, TIG, heliarc welding and custom metal fabrication	22
News Democrat and Paxton Media	Newspaper publishing	4
R&K Pivots	Irrigation equipment, pivots	6
Rane Precision Die Casting Inc.	Aluminum die castings	198
Russellville Dental Lab	Dental laboratory providing removables, fixed, and implant prosthetics	10
Ventra Plastics	Injection molded plastic automotive trim	316

Source: 2020 Kentucky Directory of Manufacturers.

APPENDIX B

Russellville Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Audited Financial Statement ending June 30, 2023

Russellville Independent School District

FINANCIAL STATEMENTS

June 30, 2023

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Required Supplementary Information:

Supplementary Information:

REPORT

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Bowling Green, KY 42101

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Russellville Independent School District (the "District") as of and for the year ended June 30, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*. Our responsibilities under those standards are further described in the Auditors' 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 these 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 statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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, budgetary comparison, and select pension/OPEB information on pages 5 through 19 and 91 through 102 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 relate 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 15, 2023 on our consideration of Russellville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
November 15, 2023

FINANCIAL STATEMENTS

RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT
RUSSELLVILLE, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023

As management of the Russellville Independent 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, 2023. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The District has adopted GASB 68. This standard requires the District to accrue a liability for an estimate of the proportionate share of the County Employee's Retirement Systems (CERS) accumulated unfunded net pension liability. On June 30,2022 and 2023 respectively, the estimate of the District's portion of the unfunded pension liability was $3,916,969 and $3,777,588 The state is responsible for funding the unfunded pension liability of the Kentucky Teachers' Retirement System (KTRS). In addition to the 2023 and 2022 pension liabilities, the district recorded KTRS "on-behalf" benefit (revenue) provided by the state of $894,139 and $2,865,801. Likewise, we recognized a corresponding pension expense of the same amount. These estimates are complex and are based on many factors. A more complete understanding of GASB 68 and its effect on the financial statements can be obtained in Note 1, Note 8 and Note 9.

- Based on the GASB 34 model and after the adoption of GASB 75 of measuring net position, the total net position from Governmental activities increased $2,122,000 and increased $1,249,188 for the fiscal years ended June 30, 2023 and 2022 respectively. Total net position from Business type activities increased $132,350 and increase $205,971 for the fiscal years ended June 30,2023 and 2022 respectively. The result was a combined in the total net position of the district of $2,254,350 and 1,455,159 respectively.

- Total expenses related to governmental activities, for 2023 and 2022 respectively, were $15,676,731 and $16,873,722 of which $5,629,820 and $5,139,361 was offset by operating and capital grants and contributions. General revenues, including property taxes, utility taxes and state funding, provide the balance of the expenditures.

- In 2023, the financial statements reflect a total of $3,860,675 of revenues and aid from the state for payments made by the state "on-behalf" of district employees for retirement contributions, various insurances including health insurance, technology support and bond "on-behalf" payments. These payments are not paid directly to the district but are benefits of the district paid by the state "on-behalf" of the district".

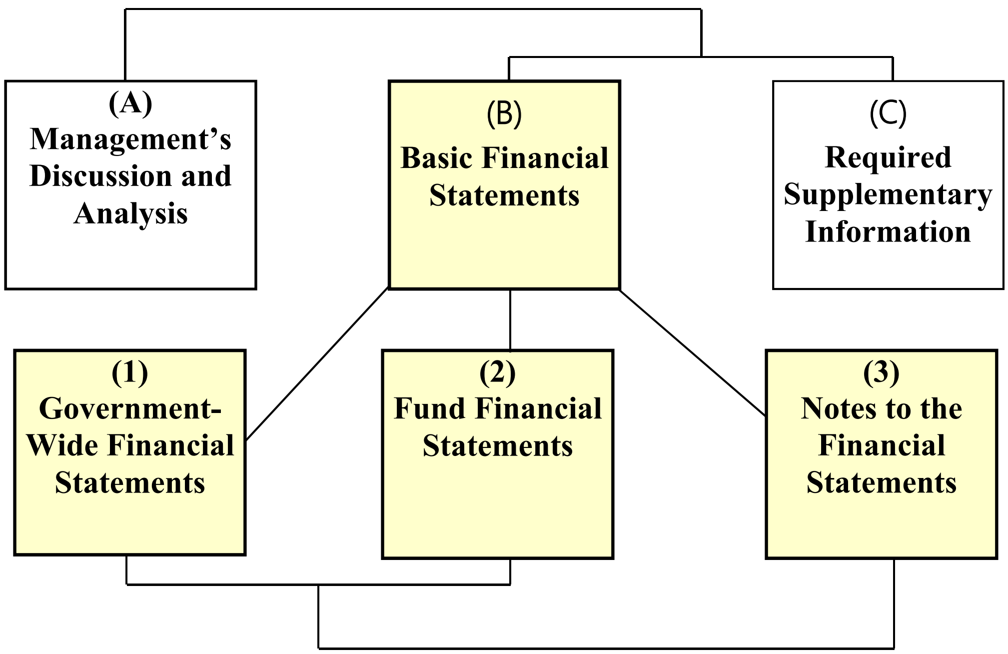
- Our board has planned in advance and has been very fiscally responsible. During the current year, the board has committed $1,660,000 of the General Fund's fund balance to include $260,000 committed to funding future sick leave payouts and $1,400,000 committed to a minimum fund balance. To remain fiscally conservative, the board wants to maintain approximately two to three months of operating expenditures.

- The main challenge of our district, as well as many other districts statewide, is fluctuating enrollments and lack of adequate funding. The state's per pupil funding remained the same from 2022 to 2023. Over the past several years, the District's management team has been aggressively taking steps to become more efficient in its operations. The school administration is aggressively taking steps to change the school atmosphere.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT (AFR)

This annual report consists of a series of financial statements and notes on those statements. These statements are organized so the reader can understand Russellville Independent School District as a financial whole or, in other words, an entire operating entity, in a manner like a private-sector business. The annual report consists of three parts: (A) Management's Discussion and Analysis (this section) [pages 5-19, (B) The Basic Financial Statements [pages 20-86], and (C) Required and other Supplementary Information [pages 87-114]. The statements provide an increasingly detailed look at specific financial activities. The District's basic financial statements comprise three components: 1) Government-Wide Financial Statements [pages 20-23], 2) Fund Financial Statements [pages 24-36], and 3) Notes to the Financial Statements [pages 37-86] . This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization of the Annual Financial Report



The Government-Wide Financial Statements have two sections (1) the *Statement of Net Position* and (2) the *Statement of Activities*. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column.

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 37 through 86 of this report.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

One of the most important questions asked about the District is "How did we do financially during 2023?" The *Statement of Net Position* and the *Statements of Activities*, which appear first in the

District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include *all assets, deferred outflows of resources, liabilities, and contingencies* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in the position. This change in net position is important because it tells the reader if the financial position of the District as a whole has improved or diminished. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as Kentucky's SEEK funding formula and its adjustments, the District's property tax base and required educational programs.

In the *Statement of Net Position* and the *Statements of Activities,* the District is divided into two distinct kinds of activities:

- Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities. The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt is also supported by taxes and intergovernmental revenues.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's Food Service, Community Education programs and Day Care are reported as business activities. These activities are funded through fees, federal grants, and federal commodities.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District's financial position, total assets and deferred outflows of resources exceeded liabilities and contingency by $8,616,417 and $6,362,067 as of June 30,2023 and 2022, respectively an increase of $2,112,605.

The largest portion of the District's net position is reflected in its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any outstanding related debt used to acquire those assets. 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 ($9,364,866), 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.

Government-wide financial statements can be found on pages 20 through 23 of this report.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

After looking at the District as a whole, an analysis of the major funds follows. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. 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. Fund accounting 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 District's funds can be divided into three categories: governmental, proprietary funds and fiduciary funds. Fiduciary funds are assets that belong to others. The scholarship trust accounts are reported as fiduciary funds. The School Food Service and Community Education Funds are reported as proprietary funds. A proprietary fund is sometimes referred to as an enterprise fund. It is a fund that operates like a business with sales of goods and services. All other activities of the District are included in the governmental funds. The major governmental funds for the Russellville Independent School District are the General Fund, the Special Revenue Fund (grants) and the Construction Fund.

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

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match. The proprietary funds are the Food Service and Community Education.

The basic governmental fund financial statements can be found on pages 20 through 36 of this report.

Fiduciary Funds – The scholarship trust accounts are the District's only fiduciary funds. On June 30, 2023, the asset balances of the scholarship trust account is $501,431. Due to investments in marketable securities, one of the scholarship accounts has an unrealized investment loss as of June 30, 2023, of $12,910.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

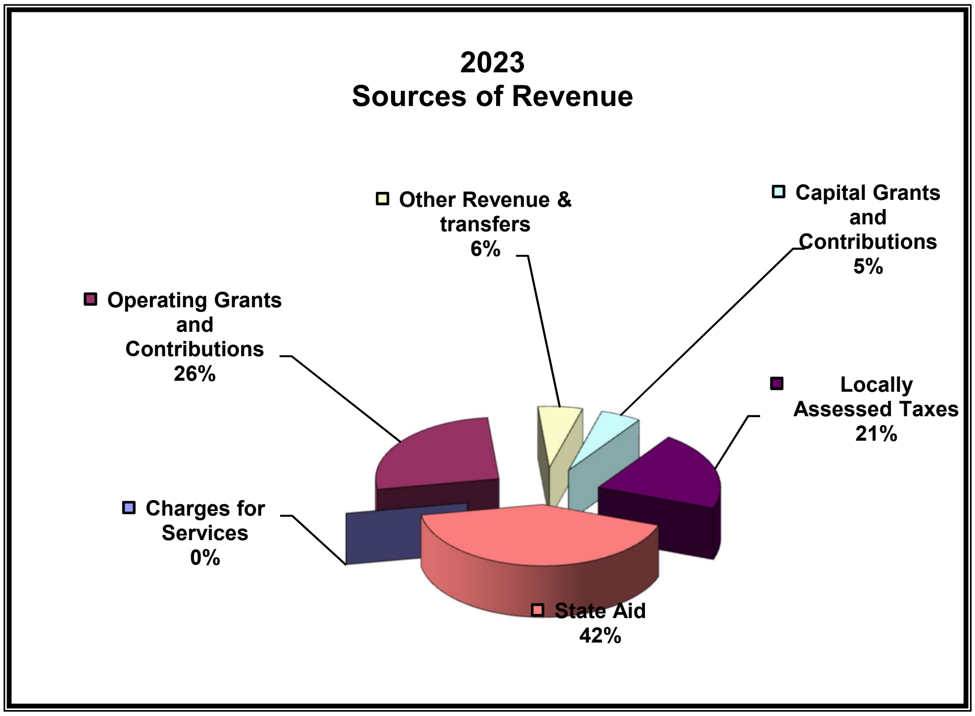
Net Position for the Fiscal Years Ending June 30, 2023 and 2022

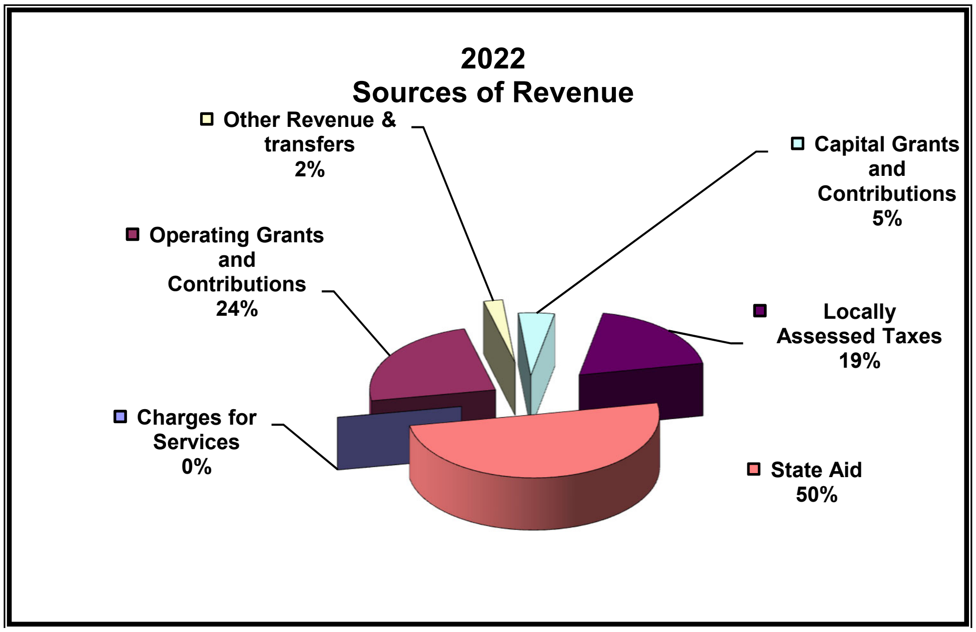
	Governmental Activities		Business-Type Activities		District Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	6,529,053	5,298,400	561,819	438,778	7,090,872	5,737,178
Capital assets	14,615,729	14,502,877	88,270	76,715	14,703,999	14,579,592
Total assets	21,144,782	19,801,277	650,089	515,493	21,794,871	20,316,770
Deferred Outflows of Resources	3,070,598	2,035,106	229,466	206,315	3,300,064	2,241,421
Long-term obligations	11,735,445	11,445,709	750,408	722,009	12,485,853	12,167,718
Other liabilities	1,398,675	1,326,719	200	-	1,398,875	1,326,719
Total Liabilities	13,134,120	12,772,428	750,608	722,009	13,884,728	13,494,437
Deferred Inflows of Resources	2,371,835	2,476,530	221,955	225,157	2,593,790	2,701,687
Net Position						
Net Investment in capital assets	9,276,596	8,447,260	88,270	76,715	9,364,866	8,523,975
Restricted	746,402	326,416			746,402	326,416
Unrestricted	(1,313,573)	(2,186,251)	(181,278)	(302,073)	(1,494,851)	(2,488,324)
Total Net Position	8,709,425	6,587,425	(93,008)	(225,358)	8,616,417	6,362,067

Changes in Net Position for the Fiscal Year Ending June 30, 2023 and 2022

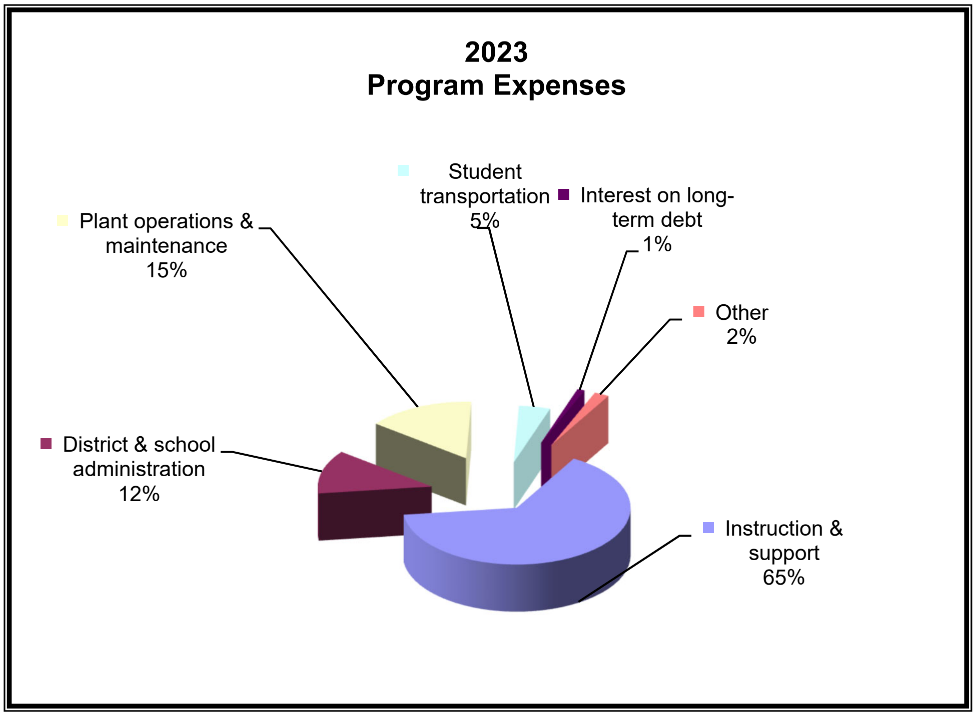
	Governmental Activities		Business-Type Activities		District Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for services		$ -	$ 22,293	$ 12,862	$ 22,293	$ 12,862
Op. grants and contributions	4,680,056	4,303,247	1,048,179	1,024,966	5,728,235	5,328,213
Cap. grants and contributions	949,764	836,114			949,764	836,114
General Revenue						
Locally Assessed Taxes	3,707,053	3,430,803			3,707,053	3,430,803
State Aid	7,419,614	9,093,312			7,419,614	9,093,312
Transfers	60,618	49,876			60,618	49,876
Other Revenue	975,676	391,666	16,296	242	991,972	391,908
Total revenues	**17,792,781**	**18,105,018**	**1,086,768**	**1,038,070**	**18,879,549**	**19,143,088**
Expenses						
Instruction & support	10,090,460	11,614,866			10,090,460	11,614,866
District & school admin.	1,961,566	2,066,571			1,961,566	2,066,571
Plant operations	2,416,999	2,109,898			2,416,999	2,109,898
Student transportation	704,031	624,676			704,031	624,676
Interest on long-term debt	165,852	180,616			165,852	180,616
Other	331,873	259,203			331,873	259,203
Transfers			60,618	49,876	60,618	49,876
Food service			893,800	782,223	893,800	782,223
Total expenses	**15,670,781**	**16,855,830**	**954,418**	**832,099**	**16,625,199**	**17,687,929**
Change in net position	**$ 2,122,000**	**$ 1,249,188**	**132,350**	**205,971**	**$ 2,254,350**	**$ 1,455,159**

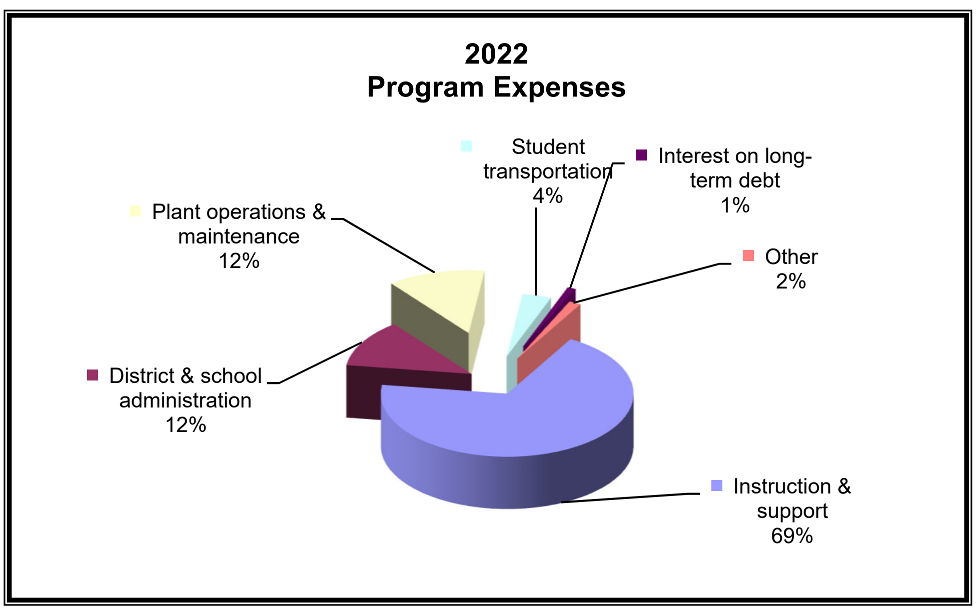
Total Governmental Funds Revenues for the Fiscal Years Ending June 30, 2023 and 2022




2022
Sources of Revenue
Other Revenue & transfers 2%
Capital Grants and Contributions 5%
Operating Grants and Contributions 24%
Locally Assessed Taxes 19%
Charges for Services 0%
State Aid 50%

Total Governmental Funds Expenses for the Fiscal Years Ending June 30, 2023 and 2022





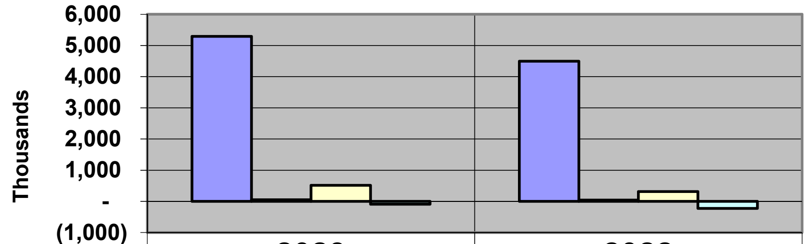
Using the GASB 34 model of measuring revenue and expenses, which is a different model of revenue and expense recognition than fund accounting, the District's total revenues, net of transfers, were $18,824,881 and the total expenses, net of transfers, were $16,570,531. For the year ending 2023, the total District revenues exceeded expenses by $2,254,350. The significant areas of changes in revenues and expenses are: 1) Local generated tax collections increased $276,250. 2) Due to additional federal money, operating grants and contributions increased $513,672.00. 3) State SEEK funds increased $342,2534) The state also pays certain benefits on-behalf of the schools. State on-behalf benefits increased $776,106.

The basis of the Kentucky Education Reform Act (KERA) was to fund school systems based on an average student attendance. In districts where the local property tax base per pupil is less, the state equalizes the revenues by increasing the state's portion of the district's funding.

All school principals and staff are given budgets and freedom to work within those budgets. Using the MUNIS accounting system, the District's administration monitors and approves the procurement of purchases prior to the ordering. The close monitoring of cost and vendors results in significant savings to the District.

The financial position of the School Food Service has significantly improved over the past several school years. The Food Service Director with the cooperation of the food service staff and school principals, have been given the responsibility of operating a self-sustaining food service program. The food service program is currently not supplemented by the General Fund. The program has a profit during the current year mainly due to an increase in the federal per pupil reimbursement rate. We are continuing the primary cost control measure, which is centralized food ordering. The food service program pays for the program's costs, including reimbursement of indirect costs and equipment purchases.

Comparative Financial Analysis of the District's Fund Balances using Fund Accounting



	2023	2022
General Fund	5,290,730	4,494,158
Special Revenue	53,979	42,616
Other Govt Funds	513,044	313,757
Proprietary Funds	(93,008)	(225,358)

The General Fund balance increased $796,572. The District's currently has a strong financial position. The District's current financial stability is a continued adherence to a good procurement policy, conservative spending and responsible use of federal and state grant funding. The fund balance of the Special Revenue fund increased $11,363. A combination of the Other Governmental Funds (i.e. Capital Outlay, Building Fund, Construction Fund and Debt Service Fund) increased $199,287. Most of the increase is due to the funding of a construction project. The Proprietary Funds (i.e. Food Service and Community Education) increased $132,350.

General Fund Budgetary Highlights

In accordance with directive from the Kentucky Department of Education (DOE) and Kentucky statutes, the District's budgets are prepared to account for most transactions on a cash receipt / cash disbursement / encumbrance basis. The DOE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense. Any amounts being accumulated for other purposes ultimately is shown as unspent or over-budgeted expenditures. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by the DOE. The District's original and final General Fund Budgets are comparable with minimal changes. The district's total actual revenues exceeded budgeted revenue by $4,143,536, an approximate 49% difference. The significant differences in the revenue budget to actual are an increase in state on-behalf payments, increase in the shared cost of a bus purchase and better than estimated local tax collections and indirect cost. The total budgeted expenses (less the budgeted contingency amount of $2,637,002.) was less than the actual expenses by $3,534,976. Individual budget amounts do not significantly differ from actual expenses.

Capital Asset and Debt Administration

Capital Assets:
By June 30, 2023, the District had invested $14,703,989, net of depreciation, in capital assets. This includes land, school buildings, athletic facilities, computer equipment, equipment, vehicles, and administrative offices. The cumulative total of assets was $28,621,448 with accumulated depreciation of $13,917,459. Significant items added during the year are: replacement roofs for various buildings, primary academy playground, district phone system and a new school bus.

SUMMARY OF CAPITAL ASSETS

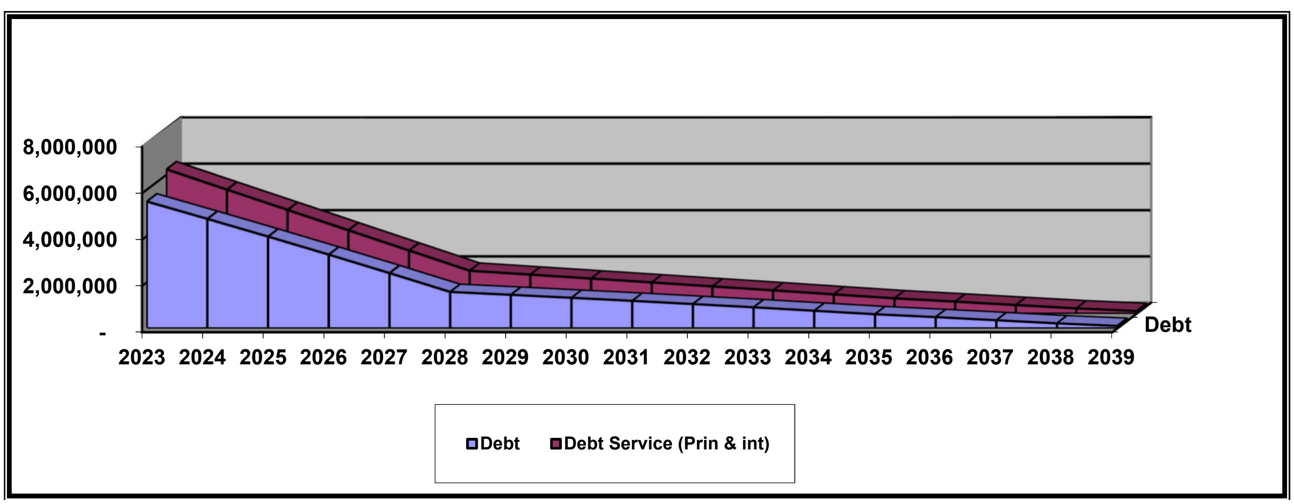
	Governmental Activities		Business-Type Activities		District Totals	
	2023	2022	2023	2022	2023	2022
Land and improvements	1,502,912	1,502,912			1,502,912	1,502,912
Construction in progress	232,175	-			232,175	-
Buildings and improvements	23,180,039	23,026,095			23,180,039	23,026,095
Equipment and vehicles	3,343,582	3,189,539	362,740	335,871	3,706,322	3,525,410
	$ 28,258,708	$ 27,718,546	$ 362,740	$ 335,871	$ 28,621,448	$ 28,054,417

Long-Term Debt:
At year-end, the District had $5,490,000 in General Obligation Bonds outstanding. The debt decreased $735,000.

SUMMARY OF LONG-TERM DEBT

Series	Purpose	Govermental Activities 2023	Govermental Activities 2022	Increease (Decrease)
Series 2016R	Refinanced bonds - 6-8 Center construction, elementary school addition and remodeling.	3,570,000	4,245,000	(675,000.00)
Series 2015	Roof replacement on high school cafeteria, weight room and band room. Roof coating on 1970 portion of elementary school building	290,000	310,000	(20,000.00)
Series 2018	Renovation of R21C	350,000	365,000	(15,000.00)
Series 2020	Roof replacements on R21C, elementary school gym, and primary academy	1,280,000	1,305,000	(25,000.00)
		$ 5,490,000	$ 6,225,000	(735,000.00)

The following table represents the current maturities and debt service cash flows, (principal and interest), of the District.



DISTRICT CHALLENGES FOR THE FUTURE

It is extremely important that the District continue to budget very conservatively. The District receives approximately 70% of its General Fund revenue each year through state funding sources. The SEEK forecasts from the state should be considered only an estimate of state revenue. If the state does not receive the revenue from taxing sources, an adjustment will be made to the funding formula. The District should always be prepared for such reductions in funding. Approximately 27% of the General Fund revenue is from local sources. The major portion of the tax revenue does not come to the District until the fifth through the seventh month of the fiscal year. This means the General Fund's beginning fund balance must be used to absorb much of the first four months of expenditures. Provisions must always be made to have a sufficient beginning balance to start each year. The District has an ending General Fund balance of $5,290,730 or 32% of the combined General Fund and Special Revenue Fund expenditures for the year. The District's 2023 property tax revenues are generated from the January 2022 tax assessment. The tax base assessment increased $23,082,652 or 6.93%. The school's administration, as well as school staff, is working to improve school attendance. The District receives funding through the SEEK formula based on the attendance count. There are a very limited number of new homes constructed within the boundaries of the District. Therefore, growth within the District is limited. It is vital that our schools have high attendance percentages and parents and students should continue to choose Russellville Independent Schools. Maintaining excellence and emphasizing serving the public are the main factors influencing this District challenge. The schools are working in concert to improve student achievement and test scores.

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, please contact:

Mr. Kyle Estes, Superintendent
kyle.estes@russellville.kyschools.us
Mr. Matthew Davenport, Director of Finance
matthew.davenport@russellville.kyschools.us

355 South Summer Street,
Russellville, Kentucky 42276.
(270)726-8405

June 30, 2023	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 6,026,159	$ 550,411	$ 6,576,570
Accounts receivable:			
Taxes	114,517	-	114,517
Accounts	15,478	-	15,478
Intergovernmental	231,164	-	231,164
Inventory	-	11,408	11,408
Prepaid expenditures	141,745	-	141,745
Non-depreciable capital assets	457,990	-	457,990
Depreciable capital assets	27,800,718	362,738	28,163,456
Less: accumulated depreciation	(13,642,989)	(274,468)	(13,917,457)
Total assets	21,144,782	650,089	21,794,871
Deferred Outflows of Resources			
Deferred loss on debt refundings	162,944	-	162,944
OPEB related	2,115,336	89,103	2,204,439
Pension related	792,318	140,363	932,681
Total deferred outflows of resources	3,070,598	229,466	3,300,064
Liabilities			
Accounts payable	372,976	200	373,176
Accrued liabilities	60,793	-	60,793
Unearned revenue	95,796	-	95,796
Accrued interest	29,613	-	29,613
Long-term obligations:			
Due within one year:			
Outstanding bonds	750,000	-	750,000
Other	12,372	-	12,372
Compensated absences	77,125	-	77,125
Due beyond one year:			
Outstanding bonds	4,738,653	-	4,738,653
Other	1,042	-	1,042
Compensated absences	194,058	-	194,058
Net OPEB liability	3,474,227	160,904	3,635,131
Net pension liability	3,327,465	589,504	3,916,969
Total liabilites	13,134,120	750,608	13,884,728

The accompanying notes are an integral part of these financial statements.

June 30, 2023	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Resources			
OPEB related	1,695,224	102,085	1,797,309
Pension related	676,611	119,870	796,481
Total deferred inflows of resources	2,371,835	221,955	2,593,790
Net Position			
Net investment in capital assets	9,276,596	88,270	9,364,866
Restricted for:			
Capital projects	518,400	-	518,400
Student activities	174,023	-	174,023
Grant programs	53,979	-	53,979
Unrestricted (deficit)	(1,313,573)	(181,278)	(1,494,851)
Total net position (deficit)	**$ 8,709,425**	**$ (93,008)**	**$ 8,616,417**

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Statement of Activities

For the year ended June 30, 2023	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Instruction	$ 8,393,004	$ -	$ 2,635,583	$ 38,104	$ (5,719,317)	$ -	$ (5,719,317)
Support Services:							
Student	721,547	-	477,167	-	(244,380)	-	(244,380)
Instructional staff	975,909	-	941,230	-	(34,679)	-	(34,679)
District administration	508,148	-	-	-	(508,148)	-	(508,148)
School administration	1,035,196	-	-	-	(1,035,196)	-	(1,035,196)
Business	418,222	-	-	-	(418,222)	-	(418,222)
Plant operations and maintenance	2,416,999	-	50,436	-	(2,366,563)	-	(2,366,563)
Student transportation	704,031	-	235,026	-	(469,005)	-	(469,005)
Other	331,873	-	340,614	-	8,741	-	8,741
Loss on disposal of assets	5,950	-	-	-	(5,950)	-	(5,950)
Interest on long-term debt	165,852	-	-	911,660	745,808	-	745,808
Total governmental activities	15,676,731	-	4,680,056	949,764	(10,046,911)	-	(10,046,911)
Business-type Activities							
Food services	888,755	16,888	1,048,179	-	-	176,312	176,312
Community education	5,045	5,405	-	-	-	360	360
Total business-type activities	893,800	22,293	1,048,179	-	-	176,672	176,672
Total school district	$ 16,570,531	$ 22,293	$ 5,728,235	$ 949,764	(10,046,911)	176,672	(9,870,239)

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2023	Net (Expense) Revenue and Changes in Net Position Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes:			
Property	2,713,646	-	2,713,646
Motor vehicle	220,768	-	220,768
Utilities	612,856	-	612,856
Other	159,783	-	159,783
State aid	7,419,614	-	7,419,614
Investment earnings	199,134	16,296	215,430
Other	782,492	-	782,492
Transfers	60,618	(60,618)	-
Total general revenues and transfers	12,168,911	(44,322)	12,124,589
Change in net assets	2,122,000	132,350	2,254,350
Net position (deficit) - beginning of year	6,587,425	(225,358)	6,362,067
Net position (deficit) - end of year	$ 8,709,425	$ (93,008)	$ 8,616,417

The accompanying notes are an integral part of these financial statements.

June 30, 2023		General Fund		Special Revenue Fund		Construction Fund		Other Governmental Funds		Total Governmental Funds
Assets										
Cash	$	5,303,765	$	-	$	531,390	$	191,004	$	6,026,159
Accounts receivable:										
Taxes		114,517		-		-		-		114,517
Accounts		15,128		-		-		350		15,478
Intergovernmental		-		231,164		-		-		231,164
Due from other funds		22,484		-		-		-		22,484
Total assets	$	5,455,894	$	231,164	$	531,390	$	191,354	$	6,409,802

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Balance Sheet
Governmental Funds

June 30, 2023	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 104,371	$ 58,905	$ 200,201	$ 9,499	$ 372,976
Accrued liabilities	60,793	-	-	-	60,793
Due to other funds	-	22,484	-	-	22,484
Unearned revenue	-	95,796	-	-	95,796
Total liabilities	165,164	177,185	200,201	9,499	552,049
Fund Balances					
Restricted	187,211	53,979	331,189	174,023	746,402
Committed	1,660,000	-	-	-	1,660,000
Assigned	177,290	-	-	7,832	185,122
Unassigned	3,266,229	-	-	-	3,266,229
Total fund balances	5,290,730	53,979	331,189	181,855	5,857,753
Total liabilities and fund balances	$ 5,455,894	$ 231,164	$ 531,390	$ 191,354	$ 6,409,802

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

June 30,		2023
Total fund balances – governmental funds	$	5,857,753
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 as assets in governmental funds. The cost of the assets is $28,258,708 and the accumulated depreciation is $13,642,989.		14,615,719
Governmental funds record losses on debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are included on the government-wide financial statements as a deferred outflow.		162,944
Special revenue funds record expenditures when paid. Prepaid items are included on the government-wide financial statements as a prepaid expenditures.		141,745
Deferred outflows and inflows or resources related to pensions are applicable to future periods, therefore, are not reported in the funds statements.		115,707
Deferred outflows and inflows or resources related to OPEB are applicable to future periods, therefore, are not reported in the funds statements.		420,112
Long-term liabilities, including bonds payable and accrued interests, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
Bonds payable		(5,488,653)
Accrued interest on the bonds		(29,613)
Other debt		(13,414)
Net OBEP liability		(3,474,227)
Net pension liability		(3,327,465)
Compensated absences		(271,183)
Total net position – governmental activities	$	8,709,425

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the year ended June 30, 2023	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
From local sources:					
Taxes:					
Property	$ 2,357,366	$ -	$ -	$ 356,280	$ 2,713,646
Motor vehicle	220,768	-	-	-	220,768
Utilities	612,856	-	-	-	612,856
Other	159,783	-	-	-	159,783
Earnings on investments	199,134	49	-	-	199,183
Other local revenue	23,748	42,587	227,388	340,916	634,639
Intergovernmental - state	8,762,208	589,437	-	911,660	10,263,305
Direct federal	149,433	585,501	-	-	734,934
Intergovernmental - federal	41,007	3,500,586	-	-	3,541,593
Total revenues	12,526,303	4,718,160	227,388	1,608,856	19,080,707
Expenditures					
Current:					
Instruction	6,832,317	2,378,660	-	344,506	9,555,483
Support services:					
Student	451,866	477,167	-	-	929,033
Instructional staff	375,117	941,230	-	-	1,316,347
District administration	526,269	-	-	-	526,269
School administration	1,095,871	-	-	-	1,095,871
Business	431,060	-	-	-	431,060

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the year ended June 30, 2023	**General Fund**	**Special Revenue Fund**	**Construction Fund**	**Other Governmental Funds**	**Total Governmental Funds**
Plant operations and maintenance	1,741,429	50,436	-	-	1,791,865
Student transportation	648,095	235,026	-	-	883,121
Other	-	340,614	-	-	340,614
Debt service:					
Principal	-	-	-	735,000	735,000
Interest	-	-	-	139,903	139,903
Building improvements	-	-	371,537	-	371,537
Total expenditures	12,102,024	4,423,133	371,537	1,219,409	18,116,103
Excess (deficiency) of revenues over expenditures	424,279	295,027	(144,149)	389,447	964,604
Other Financing Sources (Uses)					
Operating transfers in	475,464	36,295	368,110	669,386	1,549,255
Operating transfers out	(103,171)	(319,959)	-	(1,083,507)	(1,506,637)
Total other financing sources (uses)	372,293	(283,664)	368,110	(414,121)	42,618
Net change in fund balances	796,572	11,363	223,961	(24,674)	1,007,222
Fund balances - beginning of year	4,494,158	42,616	107,228	206,529	4,850,531
Fund balances - end of year	$ 5,290,730	$ 53,979	$ 331,189	$ 181,855	$ 5,857,753

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities

For the year ended June 30,	2023
Total net change in fund balances - governmental funds	$ 1,007,222
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($888,073) exceeds depreciation expense ($769,281) in the period.	118,792
Gains and losses are not presented in governemental funds because they do not provide or use current financial resources. However, they are presented on the statement of activities. The difference between proceeds from the sale of assets and the actual gain/loss from the sale net to this amount for the year.	(5,950)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	735,000
The issuance of a debt is shown as an other financing source in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The district repaid ($11,127) in debt in the current year.	11,127
Governmental funds report District pension contributions as expeditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
District pension contibutions	326,559
Cost of benefits earned net of employee contributions	(153,665)
Governmental funds report District OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.	
District OPEB contibutions	169,895
Cost of benefits earned net of employee contributions	(186,367)
Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the statement of activities are recognized when they are incurred.	99,387
Change in net position - governmental activities	$ 2,122,000

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Statement of Net Position
Proprietary Funds

June 30, 2023	Enterprise Fund Food Service	Enterprise Fund Community Education	Total
Assets			
Current Assets			
Cash	$ 548,195	$ 2,216	$ 550,411
Inventory	11,408	-	11,408
Total current assets	559,603	2,216	561,819
Non-Current Assets			
Fixed assets - net	88,270	-	88,270
Total assets	647,873	2,216	650,089
Deferred Outflows of Resources			
OPEB related	89,103	-	89,103
Pension related	140,363	-	140,363
Total deferred outflows of resources	229,466	-	229,466
Liabilities			
Current Liabilities			
Accounts payable	200	-	200
Long-Term Liabilities			
Net OPEB liability	160,904	-	160,904
Net pension liability	589,504	-	589,504
Total liabilities	750,608	-	750,608

The accompanying notes are an integral part of these financial statements.

June 30, 2023	Enterprise Fund Food Service	Enterprise Fund Community Education	Total
Deferred Inflows of Resources			
OPEB related	102,085	-	102,085
Pension related	119,870	-	119,870
Total deferred inflows of resources	221,955	-	221,955
Net Position (Deficit)			
Net investment in capital assets	88,270	-	88,270
Unrestricted (deficit)	(183,494)	2,216	(181,278)
Total net position (deficit)	$ (95,224)	$ 2,216	$ (93,008)

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2023	**Enterprise Fund Food Service**	**Enterprise Fund Community Education**	**Total**
Operating Revenues			
Lunchroom sales	$ 16,888	$ -	$ 16,888
Tuition and fees	-	5,405	5,405
Total operating revenues	16,888	5,405	22,293
Operating Expenses			
Instruction	-	5,045	5,045
Salaries and wages	453,230	-	453,230
Contract services	9,831	-	9,831
Materials and supplies	406,887	-	406,887
Other operating expenses	3,493	-	3,493
Depreciation expense	15,314	-	15,314
Total operating expenses	888,755	5,045	893,800
Operating income (loss)	(871,867)	360	(871,507)
Non-Operating Revenues			
State operating grants	112,382	-	112,382
Federal operating grants	917,854	-	917,854
Donated commodities	17,943	-	17,943
Interest revenue	16,296	-	16,296
Total non-operating revenues	1,064,475	-	1,064,475
Income before transfers	192,608	360	192,968
Transfers	(60,618)	-	(60,618)
Change in net position	131,990	360	132,350
Net position (deficit) - beginning of year	(227,214)	1,856	(225,358)
Net position (deficit) - end of year	$ (95,224)	$ 2,216	$ (93,008)

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2023	**Enterprise Fund Food Service**	**Enterprise Fund Community Education**	**Total**
Operating Activities			
Cash received from user charges	$ 108,754	$ 5,405	$ 114,159
Cash payments to employees for services	(345,670)	-	(345,670)
Cash payments for contract services	(9,831)	-	(9,831)
Cash payments to suppliers for goods and services	(382,166)	-	(382,166)
Cash payments for other operating expenses	(3,493)	(5,045)	(8,538)
Net cash provided by (used in) operating activities	(632,406)	360	(632,046)
Noncapital Financing Activities			
Indirect cost transfer to general fund	(60,618)	-	(60,618)
Non-operating grants received	924,722	-	924,722
Net cash provided by noncapital financing activities	864,104	-	864,104
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(26,867)	-	(26,867)
Net cash used in capital and related financing activities	(26,867)	-	(26,867)
Investing Activities			
Interest on investments	16,296	-	16,296
Net cash provided by investing activities	16,296	-	16,296
Net increase in cash	221,127	360	221,487
Cash - beginning of year	327,068	1,856	328,924
Cash - end of year	$ 548,195	$ 2,216	$ 550,411

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2023	Enterprise Fund Food Service	Enterprise Fund Community Education	Total
Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities			
Operating income (loss)	$ (871,867)	$ 360	$ (871,507)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating			
Depreciation	15,314	-	15,314
Commodities received	17,943	-	17,943
On-behalf payments	105,514	-	105,514
Pension expense in excess of pension contributions	(14,284)	-	(14,284)
OPEB contributions in excess of OPEB expense	16,330	-	16,330
Changes in assets and liabilities:			
Accounts receivable	91,866	-	91,866
Inventories	6,578	-	6,578
Accounts payable	200	-	200
Net cash provided by (used in) operating activities	$ (632,406)	$ 360	$ (632,046)

Noncash Activities

- The food service fund received $17,943 of donated commodities from the federal government.
- The District received on-behalf payments of $105,514 relating to insurance benefits.
- The District reclassified $57,848 related to pension expense to deferred outflows of resources.
- The District reclassified $8,416 related to OPEB expense to deferred outflows of resources.

The accompanying notes are an integral part of these financial statements.

Russellville Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2023		Private Purpose Trust Funds
Assets		
Cash	$	37,636
Investments		463,795
Total assets		501,431
Net Position		
Held in trust for scholarships		501,431
Net position	$	501,431

The accompanying notes are an integral part of these financial statements.

For the year ended June 30, 2023	**Private Purpose Trust Funds**
Additions	
Earnings on investments	$ 20,549
Unrealized gain on investments	12,910
Fund transfers from general fund	18,000
Total additions	51,459
Deductions	
Scholarships	42,900
Administrative fees	1,792
Total deductions	44,692
Change in net position	6,767
Net position - beginning of year	494,664
Net position - end of year	$ 501,431

The accompanying notes are an integral part of these financial statements.

NOTE 1: DESCRIPTION OF THE ENTITY

Reporting Entity

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

The District, for financial purposes, includes all of the funds relevant to the operation of the Russellville Independent School District. The financial statements presented herein do not include funds of groups and organizations which, although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc., except for those funds administered as custodial funds.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. The criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units.

Blended Component Unit

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements as a blended component unit:

> **Russellville Independent School District Finance Corporation** — The Russellville Independent Board of Education resolved to authorize the establishment of the Russellville Independent School District Finance Corporation (a nonprofit, nonstock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the Board for financing the costs of school building facilities. The Board members of the Russellville Independent Board of Education also comprise the Corporation's Board of Directors.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government-Wide Financial Statements — The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Fund Financial Statements — Fund financial statements report detailed information about the District's funds, including fiduciary funds. Separate statements for each fund category — governmental, proprietary and fiduciary — are presented. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District has the following funds:

Governmental Fund Types

The *General Fund* is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unassigned fund balances are considered as resources available for use. The general fund is a major fund.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

The *Special Revenue Fund* accounts for proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the schedule of expenditures of federal awards. The special revenue fund is a major fund.

The *Special Revenue District Activity Fund* is used to account for proceeds collected by the District's individual schools which are not raised by students or parents and are swept to the District's finance office. Funds can be spent on operating expenses as directed by the District's schools.

The *Special Revenue Student Activity Fund* is used to account for student activity funds of the District's individual schools. The student funds are maintained in accordance with the Uniform Program of Accounting for School Activity Funds, which is performed by the District.

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

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

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

The *Construction Fund* accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The Construction fund is a major fund.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and other debt related costs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Proprietary Fund Types

Enterprise Funds

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

The *Community Education Fund* is used to account for local community education activities.

Fiduciary Fund Types (includes custodial and private purpose trust funds)

Fiduciary funds account for assets held by the District in a trustee's capacity or in a custodial capacity for others that cannot be used to support the District's own programs. Trust funds account for assets held by the District under the terms of a formal trust agreement. Custodial funds are purely custodial and do not involve measurement of result of operations.

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private purpose trust funds.

Private Purpose Trust Funds

The *Private Purpose Trust Fund* is used to report trust arrangements under which principal and income benefit individuals.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary and fiduciary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (continued)

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This approach differs from the manner in which the governmental-wide financial statements are prepared. The governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance. On this basis of accounting, revenues are recognized when they become measurable and available as assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term and acquisitions under capital leases are reported as other financing sources.

The records of the District and the budgetary process are based on the modified accrual basis of accounting. This practice is the accounting method prescribed by the Committee for School District Audits. The District is required by state law to adopt annual budgets for the general fund, special revenue fund and capital projects funds.

Budgetary Information

Budget Information is presented for the General Fund and other funds with a Board approved budget. This budgetary data is prepared on the modified accrual basis of accounting. Budgetary revenues represent original estimates modified for any adjustments approved by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for transfers and additional appropriations approved during the fiscal year. Once the budget is approved, it can be amended by approval of the Board.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to fair market value of investments, compensated absences, pension liability, and OPEB liability.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Inventory

Supplies and materials are charged to expenditures when purchased (purchases method) with the exception of the proprietary funds, which record inventory at the lower of cost, determined by first-in first-out ("FIFO") method, or net realizable value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $2,500 with the exception of real property which is $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 capitalized.

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:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Description	Estimated Lives
Buildings and improvements	25–50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5–10 years
Audio-visual equipment	15 years
Food service equipment	10–12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other	10 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Inflows and Outflows of Resources – Debt Related

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The deferred outflows of resources reported in this year's financial statements include the deferred amount arising from the refunding of bonds. The amount by which the reacquisition price of the refunding debt exceeds the carrying amount of the refunded debt is being amortized over the remaining life of the refunding bonds as part of interest expense. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – Pension Related

The District's statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to pension which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. 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. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost-sharing plan. In its governmental funds, the only

NOTE 2: SUMMARY ACCOUNTING OF SIGNIFICANT POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources – Pension Related (Continued)

deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – OPEB Related

The District's statement of net position report and proprietary fund statements of net position a separate section for deferred inflows and outflows of resources related to OPEB which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. 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. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost-sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District proportionate share of pension amounts were further allocated to each participating employer based on the contributions paid by each employer. Pension investments are reported at fair value. Note 8 provides further detail on the net pension liability.

Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Certified Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by

NOTE 2: SUMMARY ACCOUNTING OF SIGNIFICANT POLICIES (CONTINUED)

Net Other Post-Employment Benefits (OPEB) Liability (Continued)

each employer. OPEB investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Note 9 provides further detail on the net OPEB liability.

Post-Employment Health Care Benefits

Retired District employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Compensated Absences

The District uses the vesting method to compute compensated absences for sick leave. Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits at termination. The District records a liability for accumulated unused sick leave when earned for all employees with more than five years of service.

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

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the funds from which the employees will be paid.

Accrued Liabilities

All payables, accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds.

NOTE 2: SUMMARY ACCOUNTING OF SIGNIFICANT POLICIES (CONTINUED)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to places the asset in service. Leased assets are amortized over the shorter of the useful life of the asset of the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Net Position

The District classifies its net position into the following three categories:

Net investment in capital assets - This represents the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

NOTE 2: SUMMARY ACCOUNTING OF SIGNIFICANT POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Property Taxes

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, the collection date is the period from September 15 through December 31. Collections from the period September 15 through November 1 receive a two percent discount. The due date is the period from November 2 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 being filed by the County Attorney.

Revenues — Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions are where each party receives equal value. On the modified accrual basis of accounting, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Assets from property taxes are normally recognized when an enforceable legal claim arises. However, for the District, an enforceable legal claim arises after the period for which taxes are levied. Property taxes receivable are recognized in the same period that the revenues are recognized. The property taxes are normally levied in September.

On the modified accrual basis of accounting, assets and revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Revenues from non-exchange transactions must also be available before they can be recognized.

NOTE 2: SUMMARY ACCOUNTING OF SIGNIFICANT POLICIES (CONTINUED)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds.

Interfund Balances

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

Contributions of Capital

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Note 7 provides further detail on the District's encumbrances.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the District, these revenues are sales for food service and fees collected for Community Education. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Subsequent Events

The District has evaluated subsequent events through the date that the financial statements were available to be issued, November 15, 2023 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Issued and Adopted Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The implementation of this standard was not significant to the District.

Recent Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

GASB Statement No. 101, Compensated Absences, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2023, the carrying amounts of the District's cash and investments in deposits were $6,614,206 and the bank balances were $6,972,223 which were covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

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

June 30,		2023
Governmental funds	$	6,026,159
Proprietary funds		550,411
Fiduciary funds		37,636
	$	6,614,206

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. However, the District is required by state statute that bank deposits must be collateralized. The District's bank balance of $6,972,223 was not exposed to custodial credit risk as of June 30, 2023.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments

The District holds private purpose trust funds as fiduciary funds and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's fiduciary funds have the following recurring fair value measurement as of June 30, 2023:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2023				
Securities available for sale:				
Mutual funds	$ 326,482	$ 326,482	$ -	$ -
Municipal securities	111,816	-	111,816	-
Money Market	25,497	25,497	-	-
	$ 463,795	$ 351,979	$ 111,816	$ -

Trust Fund Investments	Rating	Maturities	Fair Value
Money Market	NR	On Demand	$ 25,497
Benton Co Washington Pub	A+/Aa3/A+	11/1/2026	20,250
Logan County Kentucky Schools Dist Fin Corp Sch Bldg Rev	A1	12/1/2035	15,365
Marshall Cnty Ketucky Sch Dist Fin Corp Sch Bldg Rev Ser 2015	A1	4/1/2031	19,858
Barren Cnty Kentucky School Dist Fin Corp Sch Bldg Rev	A1	2/1/2031	29,667
Kentucky Bond Corporation Finance Program Rev	AA-	2/1/2040	26,676
American Mutual Fund CL A	N/R	-	103,343
Capital World Growth & Income Fund CL A	N/R	-	105,236
American Washington Mutual Investors	N/R	-	24,410
Income Fund of America CL A	N/R	-	93,493
			$ 463,795

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or of its agencies, obligations of any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and securities in mutual funds shall be eligible investments pursuant to this section. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District’s investment policy places no limit on the amount the District may invest in any one issuer. The Mary Hope Henry Music Scholarship Trust Fund's investment policy places no limit on the amount the Fund may invest in any one issuer. More than five percent of the Fund's investments are in Capital World Growth & Income Fund, American Mutual Fund, Income Fund of America, Barren County Kentucky School District Fin Corp, Kentucky Bond Corporation Finance Program Rev, and American Washington Mutual Investors. These investments are 22.69%, 22.28%, 20.16%, 6.4%, 5.75%, and 5.26% respectively of the Fund's investments.

Risks and Uncertainties

The District invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account balances and the amounts reported in the financial statements.

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consist of the following:

June 30, 2023		
Receivable Fund	**Payable Fund**	**Amount**
General Fund	Special Revenue Fund	22,484

The amount represents interfund loans between the general fund and special revenue fund that are necessary to fulfill the current cash requirements of the special revenue fund.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Capital Cost			
June 30, 2023	**Beginning Balance**	**Additions**	**Retirements/ Reclassifications**	**Ending Balance**
Governmental Activities:				
Capital assets that are not depreciated:				
Land	$ 225,815	$ -	$ -	$ 225,815
Construction in progress	-	371,537	139,362	232,175
Total non-depreciable historical cost	225,815	371,537	139,362	457,990
Capital assets that are depreciated:				
Land improvements	1,277,097	-	-	1,277,097
Buildings and improvements	23,026,095	153,944	-	23,180,039
Technology Equipment	1,070,991	258,700	314,145	1,015,546
Vehicles	1,298,964	223,991	-	1,522,955
General	819,584	19,263	33,766	805,081
Total depreciable historical cost	27,492,731	655,898	347,911	27,800,718

NOTE 5: CAPITAL ASSETS (CONTINUED)

	Capital Cost			
June 30, 2023	**Beginning Balance**	**Additions**	**Retirements/ Reclassifications**	**Ending Balance**
Less accumulated depreciation for:				
Land improvements	1,150,188	21,709	-	1,171,897
Buildings and improvements	9,929,289	536,223	-	10,465,512
Technology Equipment	711,451	101,482	312,584	500,349
Vehicles	883,039	72,440	-	955,479
General	541,702	37,427	29,377	549,752
Total accumulated depreciation	13,215,669	769,281	341,961	13,642,989
Total depreciable historical cost, net	14,277,062	(113,383)	5,950	14,157,729
Governmental activities, capital assets, net	$ 14,502,877	$ 258,154	$ 145,312	$ 14,615,719
Business-Type Activities:				
Capital assets that are depreciated:				
General	$ 335,871	$ 26,867	$ -	$ 362,738
Total depreciable historical cost	335,871	26,867	-	362,738
Less accumulated depreciation for:				
General	259,156	15,312	-	274,468
Total accumulated depreciation	259,156	15,312	-	274,468
Business-type activities, capital assets, net	$ 76,715	$ 11,555	$ -	$ 88,270

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

For the year ended June 30,	2023
Instruction	$ 42,932
Support services:	
Student Support	3,361
Instructional staff	946
District administration	2,952
School administration	5,181
Business support	10,965
Facilities operations	639,554
Student transportation	63,390
Total depreciation expense	$ 769,281

NOTE 6: LONG-TERM OBLIGATIONS

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

Issue Date	**Proceeds**	**Rates**
2015	$ 450,000	2.20%—3.50%
2016R	6,910,000	1.00%—2.00%
2018	425,000	2.00%—3.85%
2020	1,345,000	1.40%—2.65%

The District, through the General Fund, including utility taxes and the SEEK capital outlay fund, is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Russellville Independent School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

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

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

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, 2023 for debt service (principal and interest) are as follows:

	Russellville Independent School District		School Facility Construction Commission		
Year	Interest	Principal	Interest	Principal	Total Debt Service
2023—2024	88,002	577,399	36,873	172,601	874,875
2024—2025	76,310	588,689	33,163	176,311	874,473
2025—2026	64,406	599,891	29,364	180,109	873,770
2026—2027	52,293	615,742	25,217	184,258	877,510
2027—2028	39,792	626,490	20,964	188,510	875,756
2028—2029	27,109	74,006	16,610	50,994	168,719
2029—2030	25,359	77,382	14,986	52,618	170,345
2030—2031	23,550	75,704	13,308	54,296	166,858
2031—2032	21,688	83,950	11,555	56,050	173,243
2032—2033	19,588	82,140	9,744	57,860	169,332
2033—2034	17,549	90,269	7,873	59,731	175,422
2034—2035	15,196	88,323	5,927	61,677	171,123
2035—2036	12,899	92,873	3,898	32,127	141,797
2036—2037	10,489	103,014	2,908	31,986	148,397
2037—2038	7,766	101,593	1,927	33,407	144,693
2038—2039	4,955	93,707	875	16,293	115,830
2039—2040	2,472	93,275	443	16,725	112,915
	$ 509,423	$ 4,064,447	$ 235,635	$ 1,425,553	$ 6,235,058

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Maturities of other debt, which consists of payments on lease obligations, are as follows for the fiscal years ending:

June 30,	**Governmental**
2024	12,372
2025	1,042
Total	$ 13,414

Changes in long-term obligations are as follows:

June 30, 2023	**Balance July 1, 2022**	**Increases**	**Decreases**	**Balance June 30, 2023**	**Due Within One Year**
Governmental Activities:					
Bonds and notes payable:					
Bonds	$6,225,000	$ -	$ (735,000)	$5,490,000	$ 750,000
Less: deferred issuance discount and premium	3,324	-	(4,671)	(1,347)	-
Total bonds and notes payable	6,228,324	-	(739,671)	5,488,653	750,000
Other liabilities:					
Other	24,541	-	(11,127)	13,414	12,372
Compensated absences	254,774	72,543	(56,134)	271,183	77,125
Total other liabilities	279,315	72,543	(67,261)	284,597	89,497
Total long-term liabilities	$ 6,507,639	$ 72,543	$ (806,932)	$ 5,773,250	$ 839,497

NOTE 7: FUND BALANCES

The Board follows GASB Statement Number 54. Under this statement, fund balance is separated into five categories, as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2023, the District had $187,211 in the general fund and $331,189 as restricted for capital projects in the construction funds, $53,979 restricted in the special revenue fund for local grants, and $174,023 restricted in the Student Activity fund for student activities.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had the following commitments at June 30, 2023: $260,000 for compensated absences and $1,400,000 for a minimum fund balance policy.

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. The District had $177,290 assigned related to encumbrances in the general fund and the special revenue district activity fund had $7,832 assigned for operating costs of the District's schools at June 30, 2023. Assigned fund balances also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations using restricted funds first, followed by committed funds, assigned funds and then unassigned funds. Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically rebudgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2023 in the governmental funds balance sheet.

NOTE 8: PENSION PLANS

Pensions

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

General Information about the KTRS Pension Plan

Plan Description

The KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through 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 is a cost-sharing multiple-employer defined benefit plan with a special funding situation established to provide retirement, health and life benefits for specified employees of local school districts and other public educational agencies in the Commonwealth.

KRS 161.250 provides that the general administration and management of KTRS, and the responsibility for its proper operation, is vested in a board of trustees. The board of trustees consists of the chief state school officer, the State Treasurer, two trustees appointed by the governor, and seven elected trustees. Four of the elected trustees are active teachers, two are not members of the teaching profession, and one is an annuitant of the retirement system.

Any regular or special teacher or professional occupying a position requiring certification or graduation from a four year college or university is eligible to participate in the system. KTRS issues a publicly available financial report that can be found on the KTRS website.

Benefits Provided

KTRS provides retirement, medical, disability, annual cost of living adjustments, and death benefits to plan members. Plan members are divided into the following two categories:

For Members Hired Before July 1, 2008:
Members become vested when they complete 5 years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (continued)

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

Members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Members hired on or 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 10 years. New members hired after July 1, 2002 who retires with 10 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 10 years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is $440 multiplied by credited service.

<u>For Members Hired On or After July 1, 2008 and Before January 1, 2022:</u>
Members become vested when they complete 5 years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age 60 and complete five years of Kentucky service, or
2.) Complete 27 years of Kentucky service, or
3.) Attain age 55 and complete 10 years of Kentucky service.

The annual retirement allowance for members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2.0% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3.0% of final average salary for years of credited service greater than 30 years.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (continued)

For Members Hired On or After January 1, 2022:
To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age 57 and complete ten years of Kentucky service, or
2.) Attain age 65 and complete five years of Kentucky service.

Foundational Benefit: The annual foundational benefit for members is equal to service times a multiplier times final average salary. The final average salary is the member's five highest annual salaries. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service.

The multiplier for members is shown in the following table:

	Years of Service			
AGE	**5-9.99**	**10-19.99**	**20-29.99**	**30 or more**
57-60		1.70%	1.95%	2.20%
61		1.74%	1.99%	2.24%
62		1.78%	2.03%	2.28%
63		1.82%	2.07%	2.32%
64		1.86%	2.11%	2.36%
65 and over	1.90%	1.90%	2.15%	2.40%

Supplemental Benefit: The annual supplemental benefit is equal to the account balance that includes member and employer contributions and interest credited annually on June 30. Options include annuitizing the balance or receiving the balance or a portion thereof as a lump sum either at the time of retirement or at a later date.

For members who began participating prior to January 1, 2022, KTRS also provides disability benefits for vested members at the rate of 60% of the final average salary. Members who began participating on or after January 1, 2022, will receive a disability benefit to be determined by the board through administrative regulation.

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 who began participating before January 1, 2022. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is $5,000 for active contributing members and $10,000 for retired or disabled workers.

Cost of living increases are 1.5% annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

NOTE 8: PENSION PLANS (CONTINUED)

Contributions

Contribution rates are established by Kentucky Revised Statutes. For members who began participating before January 1, 2022, KTRS members are required to contribute 12.855% of their salaries to the system. For members employed by local school districts, the State (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008 and 14.105% for those joined on or after July 1, 2008, and before January 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

For members who began participating on or after January 1, 2022, members contribute 14.75% of their salaries to the system. Employers of members, including the state (as a non-employer contributing entity), contribute 10.75% of salary.

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the medical and life insurance trusts.

Pension Liabilities and Pension Expense

At June 30, 2023, the amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth of Kentucky (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	$ -
State's proportionate share of the net pension liability associated with the District	24,514,565
Total	$ 24,514,565

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

For the year ended June 30, 2023, the District recognized pension expense of $894,139 and revenue of $894,139 for support provided by the State in the government wide financial statements and pension expense of $2,236,733 and revenue of $2,236,733 for support provided by the State in the fund statements.

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age
Investment rate of return	7.10% net of pension plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Post-Retirement adjustment	1.50%
Municipal bond index rate	3.37%
Single equivalent interest rate	7.10%

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 of 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 3.0% 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:

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. Equity	37.4%	4.20%
Small cap U.S. Equity	2.6%	4.70%
Developed International Equity	16.5%	5.30%
Emerging Markets Equity	5.5%	5.40%
Fixed Income	15.0%	-0.10%
High Yield Bonds	2.0%	1.70%
Other Additional Categories	5.0%	2.20%
Real Estate	7.0%	4.00%
Private Equity	7.0%	6.90%
Cash	2.0%	-0.30%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the Actuarially Determined Contribution rates for all 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.

Pension Plan Fiduciary Net Position

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

General Information about the CERS Pension Plan

Plan Description

The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the plan. CERS is administered by the Board of Trustees of the Kentucky Retirement System. CERS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided

CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.5%. No COLA has been granted since July 1, 2011.

Tier 1 - Non-Hazardous Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 - Non-Hazardous Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% of their annual creditable compensation, while 1% of these contributions are deposited in an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420). Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 - Non-Hazardous Tier 3 plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation, which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see 105 KAR1:420), which is not refundable. Non-hazardous Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% of the member's monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

NOTE 8: PENSION PLANS (CONTINUED)

Contributions

Employers participating in the CERS are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.454(33), normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of the last annual valuation preceding the July 1 of a new biennium. The KRS Board of Trustees may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board of Trustees. For the fiscal year ended June 30, 2023, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the KRS Board of Trustees for the fiscal year ended June 30, 2023 was 23.40%.

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

At June 30, 2023, the District reported a liability of $3,916,969 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on the District’s share of 2022 contributions to the pension plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2022, the District’s proportion was 0.054184%.

NOTE 8: PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2023, the District recognized pension expense of $217,564. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,188	$ 34,882
Net difference between projected and actual investment earnings on pension plan investments	532,982	432,565
Change of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contribution	11,104	329,034
District contributions subsequent to the measurement date	384,407	-
Total	$ 932,681	$ 796,481

$384,407 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2023	$ (211,212)
2024	(115,352)
2025	(32,916)
2026	111,273
Thereafter	-

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total pension liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles.

There have been no changes in actuarial assumptions since June 30, 2021. The actuarial assumptions are:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary increases	3.30% to 10.30%, varies by service
Investment rate of return	6.25%

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

Long-Term Expected Rate of Return

The long-term expected rates of return were determined by using a building-block method in which best-estimated ranges of expected future real rates of returns are developed for each asset class. The ranges were 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 table below.

NOTE 8: PENSION PLANS (CONTINUED)

Long-Term Expected Rate of Return (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	**60.00%**	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	**20.00%**	
Core Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	**20.00%**	
Real Estate	7.00%	3.67%
Real Return	13.0%	4.07%
Expected Real Return	**100.0%**	**4.28%**
Long Term Inflation Assumption		**2.30%**
Expected Nominal Return for Portfolio		**6.58%**

Discount Rate

The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018) over the remaining 29 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KRS plan’s Annual Comprehensive Financial Report (ACFR).

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:

NOTE 8: PENSION PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	$ 4,895,725	$ 3,916,969	$ 3,107,456

Pension Plan Fiduciary Net Position

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

Deferred Compensation Plans

The District offers its employees to defer compensation in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plans, available to all employees, permit them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities in the financial statements.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the KTRS OPEB Plan

Plan Description

District employees, in positions requiring a four-year degree 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, health and life insurance benefits for specified employees of 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 Sections 220 through 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 on the TRS website.

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 Health Insurance Trust and Life Insurance Plans. The following information is about the TRS plans:

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Health Insurance Trust

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 Health Insurance Trust is a cost-sharing multiple employer defined benefit plan with a special funding situation funded by employer and member contributions. 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 and a required amount of service credit. The TRS medical plan offers coverage to members under the age of 65 and not eligible for Medicare through the Kentucky Employees Health Plan (KEHP) administered by the Kentucky Department of Employee Insurance. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan (MEHP) administered by TRS.

Contributions

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the medical and life insurance trusts. The member postemployment medical contribution is 3.75% of salary. The employer postemployment medical contribution is 0.75% of member salaries. Also, employers (other than the state) contribute 3% of members' salaries and the state contributes the net cost of health insurance premiums for new retirees after June 30, 2010, in the non-Medicare eligible group. If a member leaves covered employment before accumulating five years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

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

At June 30, 2023, the District reported a liability of $2,566,000 for its proportionate share of 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, 2022, and 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 of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.103361%.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

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	$ 2,566,000
State's proportionate share of the net OPEB liability associated with the District	843,000
Total	$ 3,409,000

For the year ended June 30, 2023, the District recognized OPEB expense of $84,000, which included $152,000 related to changes in proportion and differences between employer contributions and proportionate share of contributions. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,079,000
Changes of assumptions	521,000	-
Net difference between projected and actual earnings on OPEB plan investments	136,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	833,000	40,000
District contributions subsequent to measurement date	122,390	-
Total	$ 1,612,390	$ 1,119,000

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Of the total amount reported as deferred outflows of resources related of OPEB, $122,390 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, 2024. 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 ended June 30,		
2023	$	(10,000)
2024		(4,000)
2025		14,000
2026		173,000
2027		142,000
Thereafter		56,000

Actuarial 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:

Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Projected Salary Increases	3.00% - 7.50%, including inflation
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Municipal Bond Index Rate	3.37%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation
Discount Rate	7.10%
Healthcare Cost Trends:	
KEHP group	7.00% for FYE 2022 decreasing to an ultimate rate of 4.50% by FYE 2032
MEHP group	5.125% for FYE 2022 decreasing to an ultimate rate of 4.50% by FYE 2025
Medicare Part B Premiums	6.97% for FYE 2022 with an ultimate rate of 4.50% by 2034

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions *(Continued)*

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, 2021 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, 2022. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2021 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation. The healthcare cost trend rate assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll forward while the change in initial per capita claims costs were included with the experience in the TOL roll forward. 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.

Long-Term Expected Rate of Return

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

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

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

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the District's proportionate share of the 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 a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current discount rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the collective net OPEB liability	$ 3,219,000	$ 2,566,000	$ 2,025,000

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trends 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 collective net OPEB liability	$ 1,924,000	$ 2,566,000	$ 3,365,000

OPEB Plan Fiduciary Net Position

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

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Life Insurance Trust

Plan Description

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The TRS Life Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

Benefits Provided

TRS provides a life insurance benefit of $5,000 payable for members who retire based on service or disability and $2,000 for active contributing members who began participating before January 1, 2022. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is $5,000 for active contributing members and $10,000 for retired or disabled members.

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

At June 30, 2023, 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 net OPEB liability, the related Commonwealth of Kentucky (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	$	-
State's proportionate share of the net OPEB liability associated with the District		42,000
Total	$	42,000

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial 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:

Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Projected Salary Increases	3.00% - 7.50%, including wage inflation
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Municipal Bond Index Rate	2.13%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation
Discount Rate	7.10%

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, 2021 valuation were based on the results for 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 long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions (continued)

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

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

Discount Rate

The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position

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

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

General Information about the County Employees Retirement System's (CERS) OPEB Plan

Plan Description

The District's employees are provided OPEB under the provisions of Kentucky Revised Statues, the Kentucky Retirement Systems (KRS) board administers the KRS Insurance Fund. The KRS Insurance Fund is a cost-sharing, multiple employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are all regular full-time members employed in non-hazardous duty positions of the District. OPEB may be extended to beneficiaries of the plan members under certain circumstances. The CERS Insurance Fund is included in a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

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

Contributions

Employers participating in the CERS contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee's creditable compensation. For the year ended June 30, 2023, the required contribution was 3.39% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2023, were $55,921. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit Subsidy

The fully-insured premiums paid 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. GASB No. 75 requires that the liability associated with this implicit subsidy is included in the calculation of the total OPEB liability.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

At June 30, 2023, the District reported a liability of $1,069,131 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2022 contributions to the OPEB plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.054174%.

For the year ended June 30, 2023, the District recognized OPEB expense of $148,972.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 107,617	$ 245,177
Net difference between projected and actual investment earnings on OPEB plan investments	199,083	155,690
Change of assumptions	169,091	139,330
Changes in proportion and differences between employer contriutions and proportionate share of contribution	60,337	138,112
District contributions subsequent to the measurement date	55,921	-
Total	$ 592,049	$ 678,309

For the year ended June 30, 2023, $55,921 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	$ (15,163)
2024	(16,887)
2025	(97,468)
2026	(12,663)
2027	-
Thereafter	-

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles. The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2022:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.25%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 9.00% in 2024, then 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.
Mortality (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.
Mortality (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.

Long-Term Expected Rate of Return

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 tables below:

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return *(continued)*

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	**60.00%**	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	**20.00%**	
Core Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	**20.00%**	
Real Estate	7.00%	3.67%
Real Return	13.0%	4.07%
Expected Real Return	**100.0%**	**4.28%**
Long Term Inflation Assumption		**2.30%**
Expected Nominal Return for Portfolio		**6.58%**

Discount Rate

Single discount rates of 5.70% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2022. 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, 2022. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the System's actuarial determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate (Continued)

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in the Insurance Fund contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2023, calculated using the discount rate of 5.70%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
District's proportionate share of the collective net OPEB liability	$ 1,429,258	$ 1,069,131	$ 771,426

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 are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
District's proportionate share of the collective net OPEB liability	$ 794,875	$ 1,069,131	$ 1,398,461

OPEB Plan Fiduciary Net Position

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

NOTE 10: CONTINGENCIES

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

NOTE 11: RISK MANAGEMENT

The District is exposed to various forms of loss of assets associated with the risks related to torts; theft of, damage to, and destruction of assets; fire, personal liability, vehicular accidents; errors and omissions; injuries to employees; fiduciary responsibility; and natural disaster. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which include workers' compensation insurance.

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

NOTE 12: LITIGATION

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

NOTE 13: EXCESS EXPENDITURES OVER APPROPRIATIONS

The District has one fund with a deficit net position, Food Service ($95,224). Also, the following funds had excess current year expenditures over current year appropriated revenues:

Year ended June 30, 2023

Fund		Amount
SEEK	$	21,084
District activity		1,041
School actvity		2,549

NOTE 14: FUND TRANSFERS

Fund transfers for the year ended June 30, 2023 consist of the following:

From Fund	To Fund	Purpose	Amount	
FSPK	General fund	Construction	$	90,764
SEEK	General fund	Expenditures		4,123
Special Revenue fund	General fund	Indirect costs		319,959
Food Service	General fund	Indirect costs		60,618
General fund	Special revenue fund	Matching		17,243
General fund	Special revenue fund	Matching		19,052
School Activity funds	District Activity Funds	Transfer of fees		2,246
School Activity funds	District Activity Funds	Transfer of fees		1,710
SEEK	Construction	Construction		111,806
FSPK	Construction	Construction		207,428
General Fund	Construction	Construction		48,876
FSPK	Debt service	Debt Service		665,430
General fund	Fiduciary	Scholarship		18,000

NOTE 15: ON-BEHALF PAYMENTS

The District receives on-behalf payments from the State of Kentucky for items including pension, technology, health care costs, operating costs, and debt service. The amount received for the fiscal year ended June 30, 2023, was $3,860,675. These payments were recorded in the funds as follows:

Year ended June 30, 2023		
General Fund	$	3,545,688
Food Service Fund		105,514
Debt Service Fund		209,473
Total	$	3,860,675

Year ended June 30, 2023		
Technology	$	83,463
Health Insurance less Federal Reimbursement		1,199,178
Life Insurance		2,076
Administrative Fees		16,572
HRA / Dental / Vision Insurance		64,925
SFCC Debt Service		209,473
KTRS		2,284,988
Total	$	3,860,675

Russellville Independent School District
Budgetary Comparison Schedule for the General Fund

For the year ended June 30, 2023	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances Final to Actual
Revenues				
Local and intermediate sources	$ 3,123,000	$ 3,142,700	$ 3,573,655	$ 430,955
State programs	4,991,143	5,205,067	8,762,208	3,557,141
Federal programs	35,000	35,000	190,440	155,440
Total revenues	8,149,143	8,382,767	12,526,303	4,143,536
Expenditures				
Current:				
Instruction	4,480,021	4,578,164	6,832,317	(2,254,153)
Support services:				
Student	275,820	275,820	451,866	(176,046)
Instructional staff	219,731	219,731	375,117	(155,386)
District administration	382,117	382,117	526,269	(144,152)
School administration	715,391	715,391	1,095,871	(380,480)
Business	304,260	304,260	431,060	(126,800)
Plant operations and maintenance	1,435,350	1,627,855	1,741,429	(113,574)
Student transportation	569,610	463,710	648,095	(184,385)
Other	2,649,002	2,637,002	-	2,637,002
Total expenditures	11,031,302	11,204,050	12,102,024	(897,974)

For the year ended June 30, 2023	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances Final to Actual
Excess (deficiency) of revenues over expenditures	(2,882,159)	(2,821,283)	424,279	3,245,562
Other Financing Sources (Uses)				
Operating transfers - net	48,001	(12,875)	372,293	385,168
Total other financing sources (uses)	48,001	(12,875)	372,293	385,168
Net change in fund balance	(2,834,158)	(2,834,158)	796,572	3,630,730
Fund balance - beginning of year	2,834,158	2,834,158	4,494,158	1,660,000
Fund balance - end of year	$ -	$ -	$ 5,290,730	$ 5,290,730

Russellville Independent School District

Budgetary Comparison Schedule for the Special Revenue Fund

For the year ended June 30, 2023	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances Final to Actual
Revenues				
Local and intermediate sources	$ -	$ 27,853	$ 42,636	$ 14,783
State programs	528,987	592,108	589,437	(2,671)
Federal programs	949,089	1,172,552	4,086,087	2,913,535
Total revenues	1,478,076	1,792,513	4,718,160	2,925,647
Expenditures				
Current:				
Instruction	845,419	979,632	2,378,660	(1,399,028)
Support services:				
Student	53,095	166,067	477,167	(311,100)
Instructional staff	365,964	435,073	941,230	(506,157)
Plant operations and maintenance	17,857	16,000	50,436	(34,436)
Student transportation	14,000	14,000	235,026	(221,026)
Other	197,740	197,263	340,614	(143,351)
Total expenditures	1,494,075	1,808,035	4,423,133	(2,615,098)
Excess (deficiency) of revenues over expenditures	(15,999)	(15,522)	295,027	310,549

Russellville Independent School District
Budgetary Comparison Schedule for the Special Revenue Fund

For the year ended June 30, 2023	Budgeted Amounts Original	 Final	 Actual	Variances Final to Actual
Other Financing Sources (Uses)				
Operating transfers - net	15,999	15,522	(283,664)	(299,186)
Total other financing sources (uses)	15,999	15,522	(283,664)	(299,186)
Net change in fund balance	-	-	11,363	11,363
Fund balance - beginning of year	-	-	42,616	42,616
Fund balance - end of year	$ -	$ -	$ 53,979	$ 53,979

Russellville Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System

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

As of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	$ 24,514,565	$ 18,396,045	$ 20,198,877	$ 18,584,098	$ 18,703,026	$ 37,412,114	$ 39,751,690	$ 33,190,897	$ 31,376,699
District's covered payroll	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914	$ 4,843,357	$ 4,496,339	$ 4,736,886	$ 4,788,261
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

Schedule of District's Contribution - KTRS

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,851,405	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914	$ 4,843,357	$ 4,496,339	$ 4,736,886
Contributions as a percentage of covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Changes of Benefit Terms

2022: A new benefit tier was added for members joining the system on and after January 1, 2022.

Changes of Assumptions

2022: No changes in assumptions.

2021: 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 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

2020: No changes in assumptions.

2019: No changes in assumptions.

2018: the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.

2017: the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%.

2016: rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation, the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.

2015: the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.23% to 4.88%.

2014: the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.16% to 5.23%.

Russellville Independent School District
Schedule of the District’s Proportionate Share of the Net Pension Liability and Schedule of District’s Contributions
County Employees’ Retirement System

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

As of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.054184%	0.059249%	0.063559%	0.059788%	0.053871%	0.054552%	0.053942%	0.051806%	0.056471%
District's proportionate share of the net pension liability	$ 3,916,969	$ 3,777,588	$ 4,874,923	$ 4,204,917	$ 3,281,030	$ 3,193,096	$ 2,655,886	$ 2,227,411	$ 1,832,000
District's covered payroll	$ 1,516,197	$ 1,522,425	$ 1,639,513	$ 1,528,705	$ 1,341,657	$ 1,326,910	$ 1,304,469	$ 1,210,055	$ 1,279,884
District's proportionate share of the net pension liability as a percentage of its covered payroll	258.34%	248.13%	297.34%	275.06%	244.55%	240.64%	203.60%	184.08%	143.14%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

Schedule of District's Contribution - CERS

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 384,407	$ 320,979	$ 293,828	$ 316,426	$ 247,956	$ 194,272	$ 185,104	$ 162,015	$ 154,282
Contributions in relation to the contractually required contribution	(384,407)	(320,979)	(293,828)	(316,426)	(247,956)	(194,272)	(185,104)	(162,015)	(154,282)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,642,765	$ 1,516,197	$ 1,522,425	$ 1,639,513	$ 1,528,705	$ 1,341,657	$ 1,326,910	$ 1,304,469	$ 1,210,055
Contributions as a percentage of covered payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

Changes of Benefit Terms

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

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

Changes of Assumptions

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

2022: No changes in assumptions.

2021: During the 2021 legislative session, Senate Bill 169 was enacted which increased 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.

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the Total Pension Liability to reflect this legislation.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

2018: 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, 2018 is determined using these updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2016: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2015: No changes in assumptions.

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – Kentucky Teachers' Retirement System – Medical Insurance Fund

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

As of June 30,	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.103361%	0.074288%	0.055290%	0.071700%	0.072627%	0.072170%
District's proportionate share of the collective net OPEB liability	$ 2,566,000	$ 1,594,000	$ 1,906,000	$ 2,099,000	$ 2,520,000	$ 2,573,000
District's covered payroll	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914	$ 4,843,357
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	44.80%	31.02%	36.45%	42.12%	50.78%	53.12%
Plan fiduciary net position as a percentage of the total OEPB liability	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

Schedule of the District's Contributions - KTRS

For the years ended June 30,	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 122,390	$ 124,621	$ 118,977	$ 127,772	$ 120,043	$ 120,043
Contributions in relation to the contractually required contribution	122,390	124,621	118,977	127,772	120,043	120,043
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,851,405	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914
Contributions as percentage of covered payroll	2.09%	2.18%	2.32%	2.44%	2.41%	2.42%

Changes of Benefit Terms

2022: A new benefit tier was added for members joining the System on and after January 1, 2022

2021: No changes of benefit terms

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms.

2017: With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

Changes of Assumptions

2022: The health care trend rates were updated to reflect future anticipated experience.

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

Russellville Independent School District
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – Kentucky Teachers' Retirement System – Life Insurance Fund

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

As of June 30,	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the collective net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914	$ 4,843,357
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OEPB liability	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

Schedule of the District's Contributions - KTRS

For the years ended June 30,	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,851,405	$ 5,727,753	$ 5,137,808	$ 5,228,743	$ 4,983,228	$ 4,962,914
Contributions as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Changes of Benefit Terms

2022: A new benefit tier was added for members joining the System on and after January 1, 2022

Changes of Assumptions

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

Russellville Independent School District
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – County Employees Retirement System

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

As of June 30,	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.054174%	0.059236%	0.063540%	0.059777%	0.053871%	0.054552%
District's proportionate share of the net OPEB liability	$ 1,069,131	$ 1,134,044	$ 1,534,298	$ 1,005,405	$ 956,469	$ 1,096,682
District's covered payroll	$ 1,516,197	$ 1,522,425	$ 1,639,513	$ 1,528,705	$ 1,341,657	$ 1,326,910
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	70.51%	74.49%	93.58%	65.77%	71.29%	82.65%
Plan fiduciary net position as a percentage of the total OPEB liability	62.91%	62.91%	51.67%	60.44%	57.62%	52.40%

Schedule of District Contributions - CERS

For the years ended June 30,	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 55,921	$ 87,583	$ 72,541	$ 78,120	$ 80,463	$ 63,042
Contributions in relation to the contractually required contribution	55,921	87,583	72,541	78,120	80,463	63,042
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,642,765	$ 1,516,197	$ 1,522,425	$ 1,639,513	$ 1,528,705	$ 1,341,657
Contributions as a percentage of covered payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

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

Changes of Benefit Terms

No changes of benefit terms.

Changes of Assumptions

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

2021: During the 2021 legislative session, Senate Bill 169 was enacted which increased 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.

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

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

2018: There have been no changes in actuarial assumptions since June 30, 2017 (other than the blended discount rate used to calculate the total OPEB liability). However, during the 2018 legislative session, House Bill 185 was enacted, which update 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, 2018 is determined using the updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total OPEB Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25%.

June 30, 2023	SEEK Capital Outlay Fund	FSPK Fund	District Activity Funds	Student Activity Funds	Debt Service Fund	Total Other Governmental Funds
Assets						
Cash	$ -	$ -	$ 7,832	$ 183,172	$ -	$ 191,004
Accounts receivable	-	-	-	350	-	350
Total assets	$ -	$ -	$ 7,832	$ 183,522	$ -	$ 191,354
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ 9,499	$ -	$ 9,499
Total liabilities	-	-	-	9,499	-	9,499
Fund Balances						
Restricted	-	-	-	174,023	-	174,023
Assigned	-	-	7,832	-	-	7,832
Total fund balances	-	-	7,832	174,023	-	181,855
Total liabilities and fund balances	$ -	$ -	$ 7,832	$ 183,522	$ -	$ 191,354

Russellville Independent School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

For the year ended June 30, 2023	SEEK Capital Outlay Fund	FSPK Fund	District Activity Fund	School Activity Funds	Debt Service Fund	Total Other Governmental Funds
Revenues						
From local sources:						
Property taxes	$ -	$ 356,280	$ -	$ -	$ -	$ 356,280
Other local revenue	-	-	-	340,916	-	340,916
Intergovernmental - state	94,845	607,342	-	-	209,473	911,660
Total revenues	94,845	963,622	-	340,916	209,473	1,608,856
Expenditures						
Current:						
Instruction	-	-	4,997	339,509	-	344,506
Debt service:						
Principal	-	-	-	-	735,000	735,000
Interest	-	-	-	-	139,903	139,903
Total expenditures	-	-	4,997	339,509	874,903	1,219,409
Excess (deficiency) of revenues over expenditures	94,845	963,622	(4,997)	1,407	(665,430)	389,447
Other Financing Sources (Uses)						
Operating transfers in	-	-	3,956	-	665,430	669,386
Operating transfers out	(115,929)	(963,622)	-	(3,956)	-	(1,083,507)
Total other financing sources (uses)	(115,929)	(963,622)	3,956	(3,956)	665,430	(414,121)
Net change in fund balances	(21,084)	-	(1,041)	(2,549)	-	(24,674)
Fund balances - beginning of year	21,084	-	8,873	176,572	-	206,529
Fund balances - end of year	$ -	$ -	$ 7,832	$ 174,023	$ -	$ 181,855

June 30, 2023	**Mary Hope Henry Music Scholarship Trust Fund**	**Other Scholarship Trust Funds**	**Total Private Purpose Trust Funds**
Assets			
Cash	$ -	$ 37,636	$ 37,636
Investments	463,795	-	463,795
Total assets	463,795	37,636	501,431
Net Position			
Held in trust for scholarships	463,795	37,636	501,431
Net position	$ 463,795	$ 37,636	$ 501,431

For the year ended June 30, 2023	**Mary Hope Henry Music Scholarship Trust Fund**	**Other Scholarship Trust Funds**	**Total Private Purpose Trust Funds**
Additions			
Earnings on investments	$ 19,732	$ 817	$ 20,549
Unrealized gain on investments	12,910	-	12,910
Fund transfers from general fund	18,000	-	18,000
Total additions	50,642	817	51,459
Deductions			
Scholarships	42,900	-	42,900
Administrative fees	1,792	-	1,792
Total deductions	44,692	-	44,692
Change in net position	5,950	817	6,767
Net position - beginning of year	457,845	36,819	494,664
Net position - end of year	$ 463,795	$ 37,636	$ 501,431

Russellville Independent School District
Combining Statement of School Activity Funds

As of and for the year ended June 30, 2023	Cash July 1, 2022	Cash Receipts & Transfers In	Cash Disbursements & Transfers Out	Cash June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Russellville High School	$ 116,826	$ 259,466	$ 260,435	$ 115,857	$ 350	$ 9,499	$ 106,708
Russellville Jr. High School	32,668	72,511	64,723	40,456	-	-	40,456
Stevenson Elementary School	29,988	31,874	35,003	26,859	-	-	26,859
Total	$ 179,482	$ 363,851	$ 360,161	$ 183,172	$ 350	$ 9,499	$ 174,023

As of and for the year ended June 30, 2023	Cash July 1, 2022	Cash Receipts & Transfers In	Cash Disbursements & Transfers Out	Cash June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Academic Team	$ 47	$ -	$ -	$ 47	$ -	$ -	$ 47
Archery	12,982	27,101	25,432	14,651	-	7,753	6,898
Art Club	101	696	740	57	-	-	57
Athletics	31,964	77,759	76,483	33,240	-	1,690	31,550
Band	3,305	1,931	3,075	2,161	-	-	2,161
Baseball	6,209	12,243	10,513	7,939	-	-	7,939
Beta Club	1,636	6,871	7,960	547	-	-	547
Book Club	338	168	122	384	-	-	384
Boys Basketball	4,016	11,389	9,446	5,959	-	-	5,959
Cheerleaders	105	14,508	10,103	4,510	200	-	4,710
Class of 2024	203	-	-	203	-	-	203
College & Career Ready	500	-	-	500	-	-	500
Drama	1,756	3,180	2,115	2,821	-	-	2,821
Fellowship of Christian Athletes	273	74	-	347	-	-	347
Field Trip	409	-	-	409	-	-	409
FMD	2,362	150	1,443	1,069	-	-	1,069
Football	3,482	15,470	18,793	159	-	-	159
Gate Funds	494	-	-	494	-	-	494
Gifted/Talented	558	-	-	558	-	-	558
Girls Basketball	6,355	8,737	14,388	704	-	-	704
Girls Soccer	3,988	3,862	5,021	2,829	-	-	2,829
Golf	3,831	-	1,516	2,315	-	-	2,315

Russellville Independent School District
Statement of School Activity Funds
Russellville High School

As of and for the year ended June 30, 2023	Cash July 1, 2022	Cash Receipts & Transfers In	Cash Disbursements & Transfers Out	Cash June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Guidance	121	-	-	121	-	-	121
Jr. Beta	1,009	-	-	1,009	-	-	1,009
National Honor Society	602	-	200	402	-	-	402
Pep Club	267	-	-	267	-	-	267
Rotary	100	-	-	100	-	-	100
Rotary-Kemp	50	-	-	50	-	-	50
Rotary-Triplett	-	50	-	50	-	-	50
Stem	81	-	-	81	-	-	81
STLP	749	100	728	121	-	-	121
Student Council	709	-	-	709	-	-	709
Senior Class	1,088	11,052	10,697	1,443	-	-	1,443
Soccer	4,448	13,910	14,705	3,653	150	-	3,803
Softball	8,299	19,557	20,377	7,479	-	-	7,479
Spanish Club	356	95	95	356	-	-	356
Student Activities	2,421	4,947	5,639	1,729	-	-	1,729
Swim Team	672	800	258	1,214	-	-	1,214
Teacher Lounge	289	584	95	778	-	-	778
RHS Tennis	1,999	3,483	4,380	1,102	-	-	1,102
G/B Track	263	1,550	670	1,143	-	-	1,143
Travel Club	181	119	-	300	-	-	300

Russellville Independent School District
Statement of School Activity Funds
Russellville High School

As of and for the year ended June 30, 2023	Cash July 1, 2022	Cash Receipts & Transfers In	Cash Disbursements & Transfers Out	Cash June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Y Club	898	-	-	898	-	-	898
Yearbook	924	907	1,231	600	-	-	600
Young Republicans	363	-	239	124	-	-	124
Youth Service Center	2,837	8,769	2,901	8,705	-	56	8,649
Washington DC	18	-	-	18	-	-	18
CHANGE	150	4,150	4,300	-	-	-	-
District Activity Funds	-	1,710	1,710	-	-	-	-
	$ 116,826	**$ 259,466**	**$ 260,435**	**$ 115,857**	**$ 350**	**$ 9,499**	**$ 106,708**

For the year ended June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients		Total Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster					
Direct Program:					
Food Distribution Program - non-cash	10.555	--	-	$ 17,943	
Passed-Through State Department of Education:					
School Breakfast Program	10.553	7760005 23	-	270,701	
National School Lunch Program	10.555	7750002 23	-	646,444	
Subtotal					935,088
State Administrative Expenses for Child Nutrition	10.560	7700001 22	-		709
Total U.S. Department of Agriculture					935,797
U.S. Department of Education					
Direct Program:					
Impact Aid	84.041	--	-		10,609
Fund for the Improvement of Education - 2019	84.215G	--	-		585,501
Passed-Through State Department of Education:					
Title I, Part A					
Title I Grants to Local Educational Agencies - 2021	84.010	3100002 20	-	266	
Title I Grants to Local Educational Agencies - 2022	84.010	3100002 21	-	267,427	
Title I Grants to Local Educational Agencies - 2023	84.010	3100002 22	-	450,405	
Title I Grants to Local Educational Agencies - 2023	84.010	3100002 22	-	4,505	
Subtotal					722,603

See accompanying notes to the Schedule of Expenditures of Federal Awards.

For the year ended June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients		Total Federal Expenditures
Special Education Cluster					
Special Education Grants to States - 2022	84.027	3810002 21	-	77,238	
Special Education Grants to States - 2023	84.027	3810002 22	-	265,706	
Special Education Preschool Grants - 2022	84.173	3800002 21	-	3,574	
Special Education Preschool Grants - 2023	84.173	3800002 22	-	36,673	
COVID-19 ARP IDEA B Preschool	84.173	3800002 21	-	62,833	
COVID-19 ARP IDEA B Preschool	84.173	3800002 21	-	4,893	
Subtotal					450,917
English Language Acquisition State Grants - 2022	84.365	3300002 21	-	2,205	
English Language Acquisition State Grants - 2023	84.365	3300002 22	-	8,782	
Subtotal					10,987
Career and Technical Education - Basic Grants to States - 2022	84.048	3710002 21		872	
Career and Technical Education - Basic Grants to States - 2023	84.048	3710002 22		7,611	
Subtotal					8,483
Rural Education - 2022	84.358	3140002 21	-	3,167	
Rural Education - 2023	84.358	3140002 22	-	16,139	
Subtotal					19,306
Supporting Effective Instruction State Grants - 2023	84.367	3230002 22	-		57,619
Comprehensive Literacy Development - 2022	84.371	3220002 19		-	69,094
Title IV, B Student Support & Academic Enrichment Program -2021	84.424	3420002 20	-	802	
Title IV, B Student Support & Academic Enrichment Program - 2022	84.424	3420002 21	-	222	
Title IV, B Student Support & Academic Enrichment Program - 2023	84.424	3420002 22	-	26,000	
Title IV, B Student Support & Academic Enrichment Program - 2023	84.424	3420002 22	-	2,046	
Title IV, B Student Support & Academic Enrichment Program - 2023	84.424	3420002 22	-	7,200	
Subtotal					36,270

See accompanying notes to the Schedule of Expenditures of Federal Awards.

For the year ended June 30, 2023

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients		Total Federal Expenditures
COVID-19 Education Stabilization Fund					
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4200002 21	-	210,199	
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	4300002 21	-	879,178	
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	4320002 21	-	1,576	
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	4320002 21	-	1,190	
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	4320002 21	-	950,514	
Passed-Through Green River Regional Educational Cooperative:					
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	4320002 22	-	8,886	
Subtotal					2,051,543
Total U.S. Department of Education					4,022,932
U.S. Department of Health and Human Services					
Passed-Through Barren River Area Development District :					
Child Care and Development Block Grant	93.575	I2 736 220000(	-		73,464
Promoting Adolescent Health Through School-Based Surveillance	93.079	--	-		300
Total U.S. Department of Health and Human Services					73,764
Total Expenditures of Federal Awards			$ -		$ 5,032,493

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Russellville Independent School District (the "District") under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Nonmonetary assistance is reported in the schedule at fair value of the goods received.

NOTE 3: INDIRECT COST RATE

The District has elected to use indirect cost rates as defined by the grantor in the following programs:

Child Nutrition Cluster
Title I, Part A
Special Education Cluster
Elementary and Secondary School Emergency Relief
Fund for Improvement of Education
Comprehensive Literacy Development

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

NOTE 4: LOANS AND LOAN GUARANTEES

The District did not have any loans or loan guarantee programs required to be reported on the schedule.

NOTE 5: SUBRECIPIENTS

The District did not provide federal funds to subrecipients for the fiscal year ended June 30, 2023.

None reported.

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CPAs and Advisors

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Independent Auditors' 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
Russellville Independent School District
Russellville, 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 as defined in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Russellville Independent School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Russellville Independent School District's basic financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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.* In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *Independent Auditor's Contract – State Compliance Requirements*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
November 15, 2023

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Russellville Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' 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, 2023.

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 the 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 Auditors' 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.

Auditors' 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 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
November 15, 2023

Section I — Summary of Auditors' Results

Financial Statements

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 ☑ No

Significant deficiency(ies) identified? ☑ Yes ☐ None reported

Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? ☐ Yes ☑ No

Significant deficiency(ies) identified? ☑ Yes ☐ None reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))? ☑ Yes ☐ No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
84.425	COVID-19 Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

Section II — Financial Statement Findings

2023-001 Payroll

Criteria and Condition: During our audit procedures over payroll controls, we noted the lack of approval for two payroll timesheets.

Cause: Certain internal controls were not in place to prevent or detect and correct misstatements relating to payroll.

Effect: The District's financial statements could contain misstated account balances.

Recommendation: We recommend the District enhance the payroll process to ensure proper documented approval is maintained for payroll expenses.

Views of Responsible Officials and Planed Corrective Actions: The District concurs with the finding, see corrective action plan.

Section III — Federal Award Findings and Questioned Costs

DEPARTMENT OF EDUCATION

2023-002 Pass-through Kentucky Department of Education; COVID-19 Education Stabilization Fund –Assistance Listing No. 84.425; Grant period –Year ended June 30, 2023

Criteria and Condition: 2 CFR 200.303 requires the non-federal entity to establish and maintain effective internal controls over compliance with Federal statues, regulations, and the terms and conditions of the Federal award including proper tracking of grant expenditures or compliance.

COVID-19 Education Stabilization Funds require disbursements to contain documentation of approval by the Program Director.

Cause: Disbursements using COVID-19 Education Stabilization Funds were not documented as approved by the Program Director.

Effect: Disbursements could be made using COVID-19 Stabilization Funds that are not in compliance with grant requirements.

Questioned Costs: No questioned costs were incurred from this finding.

Context: A sample of 17 disbursements, from a population of 124 disbursements, was selected for audit procedures. On the 13th disbursement tested from the sample, we noted it lacked documentation of approval by the Program Director. The sample was not a statistically valid sample.

Recommendation: The COVID-19 Education Stabilization Fund Program Director should document approval of all disbursements.

Views of Responsible Officials and Planed Corrective Actions: The District concurs with the finding, see corrective action plan.

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Kyle Estes
Superintendent

James C. Milam
Board Chairman

CORRECTIVE ACTION PLAN

November 15, 2023

Kentucky Department of Education

The Russellville Independent School District respectfully submits the following corrective action plan for the year ended June 30, 2023.

Carr, Riggs & Ingram LLC
PO Box 104
Bowling Green, KY 42102

Findings - Financial Statement Audit

Significant Deficiency

2023-001 Payroll

Criteria and Condition: During our audit procedures over payroll controls, we noted the lack of approval for two payroll timesheets.

Cause: Certain internal controls were not in place to prevent or detect and correct misstatements relating to payroll.

Effect: The District's financial statements could contain misstated account balances.

Recommendation: We recommend the District enhance the payroll process to ensure proper documented approval is maintained for payroll expenses.

Action Taken: In regard to 2023-001 Payroll, management will reinforce with staff the need to follow controls related to monitor/approving payroll. This action will be taken today, November 15, 2023.

RUSSELLVILLE INDEPENDENT SCHOOLS
355 South Summer Street
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Kyle Estes
Superintendent

James C. Milam
Board Chairman

Section III — Federal Award Findings and Questioned Costs

DEPARTMENT OF EDUCATION

2023-002 Pass-through Kentucky Department of Education; COVID-19 Education Stabilization Fund – Assistance Listing No. 84.425; Grant period –Year ended June 30, 2023

Criteria and Condition: 2 CFR 200.303 requires the non-federal entity to establish and maintain effective internal controls over compliance with Federal statues, regulations, and the terms and conditions of the Federal award including proper tracking of grant expenditures or compliance.

COVID-19 Education Stabilization Funds require disbursements to contain documentation of approval by the Program Director.

Cause: Disbursements using COVID-19 Education Stabilization Funds were not documented as approved by the Program Director.

Effect: Disbursements could be made using COVID-19 Stabilization Funds that are not in compliance with grant requirements.

Action Taken: In regard to 2023-002 COVID-19 Education Stabilization Fund, management will reinforce with staff the need to follow controls related to monitoring/approving grant disbursements. This action will be taken today, November 15, 2023.

If the Kentucky Department of Education has questions regarding this plan, please call Matthew Davenport at 270-726-8405.

____
Matthew Davenport
Finance Officer, Russellville Independent School District

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

In planning and performing our audit of the financial statements of Russellville Independent School District (the "District") for the year ended June 30, 2023, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. Any uncorrected comments from the prior year have been listed in this letter. A separate report dated November 14, 2023 contains our report on the District's internal control. This letter does not affect our report dated November 15, 2023 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
November 15, 2023

Current Year Comments

- None noted

Prior Year Comments

Stevenson Elementary School

- Prior year comments were corrected.

THOUGHT LEADERSHIP

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CRI's CEO ACTION FOR DIVERSITY AND INCLUSION

Carr, Riggs & Ingram is committed to fostering an inclusive and diverse place for all employees to work in and engage. When our managing partner and chairman, Bill Carr, signed the CEO Action for Diversity & Inclusion™ pledge, he made a public commitment to building a productive, diverse, and inclusive workplace. **Learn more about CRI's commitment to Diversity and Inclusion.**

APPENDIX C

Russellville Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Continuing Disclosure Undertaking Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of March 7, 2024, by and between the Board of Education of Russellville, Kentucky ("Board"); the Russellville Independent School District Finance Corporation, an agency and instrumentality of the Board ("Corporation") and the Registered and Beneficial Owners of the Bonds hereinafter identified as third-party beneficiaries to this Agreement. For the purposes of this Agreement "Beneficial Owner" means the person or entity treated as the owner of the Bonds for federal income tax purposes and "Registered Owner" means the person or entity named on the registration books of the bond registrar.

W I T N E S S E T H:

WHEREAS, the Corporation has acted as issuing agency for the Board pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and the Corporation's Bond Resolution in connection with the authorization, sale and delivery of $3,265,000 of the Corporation's School Building Revenue Bonds, Series 2024, dated as of March 7, 2024 ("Bonds"), which Bonds were offered for sale under the terms and conditions of a Final Official Statement ("FOS") prepared by RSA Advisors, LLC, Lexington, Kentucky ("Financial Advisor") and approved by the authorized representatives of the Board and the Corporation, and

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

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

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

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

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

1. ANNUAL FINANCIAL INFORMATION

The Board agrees to provide the annual financial information contemplated by Rule 15c2-12(b)(5)(i) relating to the Board for its fiscal years ending June 30 of each year, commencing with fiscal year ending June 30, 2024, to (a) the Municipal Securities Rulemaking Board ("MSRB"), or any successor thereto for purposes of its Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission and (b) the State Information Depository ("SID"), if any (the Commonwealth of Kentucky has not established a SID as of the date of this Agreement) within nine (9) months of the close of each fiscal year.

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

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

2. MATERIAL EVENTS NOTICES

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

(1) Principal/interest payment delinquency;

(2) Nonpayment related default, if material;

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

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

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

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

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

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

(9) Defeasance;

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

(11) Rating change;

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

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

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

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

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

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

(A) Debt obligation;

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

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

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

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

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

3. SPECIAL REQUESTS FOR INFORMATION

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

4. DISCLAIMER OF LIABILITY

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

5. FINAL OFFICIAL STATEMENT

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

6. DURATION OF THE AGREEMENT

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

7. AMENDMENT; WAIVER

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

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

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

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

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

8. DEFAULT

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

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

BOARD OF EDUCATION OF RUSSELLVILLE INDEPENDENT, KENTUCKY

Attest:

____
Chairman

____
Secretary

RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

Attest:

____
President

____
Secretary

APPENDIX D

Russellville Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Official Terms and Conditions of Bond Sale

OFFICIAL
TERMS AND CONDITIONS OF BOND SALE

$3,265,000*
Russellville Independent School District Finance Corporation
School Building Revenue Bonds, Series of 2024
Dated March 7, 2024

SALE: February 15, 2024 AT 11:00 A.M., E.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Russellville Independent School District Finance Corporation ("Corporation") will until February 15, 2024, at the hour of 11:00 A.M., E.S.T., in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, receive competitive bids for the revenue bonds herein described. To be considered, bids must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated. Bids may be submitted manually or by facsimile or electronically via PARITY. Bids will be considered by the Corporation and may be accepted without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by up to $325,000.

RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

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

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.290, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance improvements at Russellville High School, Rhea Football Stadium and Stevenson Elementary School (collectively, the "Project") and are secured by a lien upon and a pledge of the revenues from the rental of the school building Project property to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2024; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance certain of the school building(s) which constitute the school building Project (the "Parity Bonds").

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

The rental of the school building Project property from the Corporation to the Board is to be effected under a certain Lease Agreement by and between the Corporation and the Board (the "Lease"), whereunder the school building Project property is leased to the Board for the initial period ending June 30, 2024, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

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

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately $12,261 to be applied to the annual debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $12,261 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2024; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

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

ADDITIONAL PARITY BONDS

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project property and secured by a statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds are in accordance with the plans and specifications which have been approved by the Board, Commissioner of Education, and filed in the office of the Secretary of the Corporation and a Lease shall be entered into whereunder the annual rental payments during the life of such additional bonds shall be increased by the amount of the annual principal and interest requirements of such additional bonds.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from March 7, 2024, payable on September 1, 2024, and semi annually thereafter and shall mature as to principal on March 1 in each of the years as follows:

Year	Amount*	Year	Amount*
2025	$ 10,000	2035	$180,000
2026	10,000	2036	185,000
2027	10,000	2037	190,000
2028	10,000	2038	200,000
2029	150,000	2039	210,000
2030	155,000	2040	215,000
2031	160,000	2041	250,000
2032	165,000	2042	260,000
2033	170,000	2043	275,000
2034	175,000	2044	285,000

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $325,000 which may be applied in any or all maturities.

The Bonds maturing on or after March 1, 2033 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after March 1, 2032, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

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

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky, has been designated as the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co. Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see "BOOK-ENTRY-ONLY-SYSTEM" below. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on September 1 and March 1 of each year, beginning September 1, 2024 (Record Date is the 15th day of month preceding interest due date).

BIDDING CONDITIONS AND RESTRICTIONS

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

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

(C) The minimum bid shall be not less than $3,199,700 (98% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(E) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for exactly $3,265,000 principal amount of Refunding Bonds offered for sale under the terms and conditions herein specified, but the Corporation may adjust the principal amount of Bonds upward or downward by $325,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $2,940,000 or a maximum of $3,590,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $5,000 of Bonds as the price per $5,000 for the $3,265,000 of Bonds bid.

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 15, 2024.

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

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

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

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

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

(K) Delivery will be made utilizing the DTC Book-Entry-Only-System.

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

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

STATE SUPPORT OF EDUCATION

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

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

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

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

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

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

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

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

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2024

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

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

The General Assembly recently adopted a budget for the biennial period ending June 30, 2024 which was approved and signed by the Governor. Such budget became effective beginning July 1, 2022. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15 percent of the adjusted financial statement income of certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the minimum tax. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

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

CONTINUING DISCLOSURE

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

Financial information regarding the Board may be obtained from Superintendent, Russellville Independent Board of Education, 355 S. Summer Street, Russellville, Kentucky 42276 (270.723.8405).

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and interest on the Bonds will not be a specific item of tax preference for purposes of calculating the Federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

(C) As a result of certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2024, the Bonds may be treated by financial institutions as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

By /s/ Kyle Este
Secretary

APPENDIX E

Russellville Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Russellville Independent School District Finance Corporation ("Corporation" or "Issuer"), will until 11:00 A.M., E.S.T., on February 15, 2024, receive in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, (telephone 502-564-5582; fax 888-979-6152) competitive bids for its $3,265,000 School Building Revenue Bonds, Series of 2024, dated March 7, 2024; maturing March 1, 2025 through 2044 ("Bonds").

We hereby bid for said $3,265,000* principal amount of Bonds, the total sum of $_______________ (not less than $3,199,700) plus accrued interest from March 7, 2024 payable September 1, 2024 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on March 1 in the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2025	$ 10,000	________%	2035	$180,000	________%
2026	10,000	________%	2036	185,000	________%
2027	10,000	________%	2037	190,000	________%
2028	10,000	________%	2038	200,000	________%
2029	150,000	________%	2039	210,000	________%
2030	155,000	________%	2040	215,000	________%
2031	160,000	________%	2041	250,000	________%
2032	165,000	________%	2042	260,000	________%
2033	170,000	________%	2043	275,000	________%
2034	175,000	________%	2044	285,000	________%

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $3,590,000 of Bonds or as little as $2,940,000 of Bonds, at the same price per $5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 15, 2024.

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

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

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

The DTC Book-Entry-Only-System will be utilized on delivery of this issue.

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

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through U.S. Bank Trust Company, National Association, Louisville, Kentucky, Attn: Mr. Charles Lush, Trust Officer (502.797.6421).

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

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about March 7, 2024 and upon acceptance by the Issuer's Municipal Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

____
Bidder

By ______________________________
Authorized Officer

____
Address

Total interest cost from March 7, 2024, to final maturity	$______________
Plus discount or less any premium	$______________
Net interest cost (Total interest cost plus discount)	$______________
Average interest rate or cost	______________%

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

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

Year	Amount	Rate	Year	Amount	Rate
2025	______,000	______%	2035	______,000	______%
2026	______,000	______%	2036	______,000	______%
2027	______,000	______%	2037	______,000	______%
2028	______,000	______%	2038	______,000	______%
2029	______,000	______%	2039	______,000	______%
2030	______,000	______%	2040	______,000	______%
2031	______,000	______%	2041	______,000	______%
2032	______,000	______%	2042	______,000	______%
2033	______,000	______%	2043	______,000	______%
2034	______,000	______%	2044	______,000	______%

Dated: February 15, 2024

____

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