

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 6, 2024

In the opinion of Wyatt, Tarrant & Combs, LLP, Bond Counsel, (i) under the Internal Revenue Code as presently enacted and construed and subject to the conditions and limitations set forth herein under the caption "TAX TREATMENT," interest on the 2024A Bonds is excludable from gross income for federal income tax purposes and (ii) the 2024A Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth of Kentucky and all of its political subdivisions and taxing authorities. See "TAX TREATMENT" herein.

**NEW ISSUE
BOOK-ENTRY ONLY**

**Ratings: Moody's: Aa3
S&P: AA-
(See "RATINGS" herein)**

\$56,000,000*

**JEFFERSON COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2024A**



Dated: Date of Delivery

Due: As shown herein

Interest on the above captioned bonds (the "2024A Bonds") is payable semiannually as described herein. The 2024A Bonds will initially be issued as book-entry bonds registered by the Bond Registrar hereinafter identified in the name of a nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the 2024A Bonds. Individual purchases of 2024A Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple of \$5,000. Principal of and interest on the 2024A Bonds shall be payable to DTC, which in turn will remit such principal and interest to the beneficial owners of the 2024A Bonds through DTC's participants as described in "Appendix G – Book Entry System" attached hereto.

The 2024A Bonds are subject to redemption prior to their stated maturity at the option of the Jefferson County School District Finance Corporation (the "Issuer") as described herein.

The 2024A Bonds and the interest thereon do not and shall not constitute an indebtedness of the Issuer, the Jefferson County Board of Education (the "Board"), the Kentucky School Facilities Construction Commission ("KSFCC" or the "Commission"), or the Commonwealth of Kentucky (the "Commonwealth") within the meaning of the Constitution and laws of the Commonwealth or a pledge of the faith and credit or the taxing power of the Board or the Commonwealth, but are limited obligations of the Issuer and shall be payable solely from and secured solely by such assets and revenues as are provided in the General Bond Resolution described herein, and neither the Issuer, the Board, the Commission, nor the Commonwealth is or shall be obligated to pay the 2024A Bonds except as provided therein. The issuance of the 2024A Bonds shall not directly, indirectly, or contingently obligate the Board, the Commission, or the Commonwealth to levy or to pledge any taxes whatsoever for the payment of the 2024A Bonds or to make any appropriation for such payment nor obligate the Issuer to take any actions except as expressly provided in the General Bond Resolution. The Issuer has no taxing power.

The Issuer deems this Preliminary Official Statement to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for certain information herein which has been omitted in accordance with the Rule and will be provided in the final Official Statement.

The 2024A Bonds are offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, to the approval of legality by Wyatt, Tarrant & Combs, LLP, Bond Counsel, and to certain other conditions. Certain legal matters will be passed on by Kevin Brown, Esq., General Counsel to the Board and the Issuer. The 2024A Bonds will be available for delivery on or about April 4, 2024.

Dated: March __, 2024

* Subject to adjustment as described in the Official Terms and Conditions of Bond Sale.

This Preliminary Official Statement and information contained herein are subject to change, completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$56,000,000*
JEFFERSON COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2024A

<u>Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
6/1/2024	\$ 455,000				
12/1/2024	1,645,000				
6/1/2025	510,000				
12/1/2025	1,460,000				
6/1/2026	505,000				
12/1/2026	1,535,000				
6/1/2027	515,000				
12/1/2027	1,280,000				
6/1/2028	4,160,000				
12/1/2028	1,345,000				
6/1/2029	4,420,000				
12/1/2029	1,465,000				
6/1/2030	4,660,000				
12/1/2030	2,145,000				
6/1/2031	4,515,000				
12/1/2031	2,290,000				
6/1/2032	4,740,000				
12/1/2032	2,390,000				
6/1/2033	4,945,000				
12/1/2033	5,825,000				
6/1/2034	5,195,000				

* Subject to adjustment as described in the Official Terms and Conditions of Bond Sale.

† CUSIP is a registered trademark of the American Bankers Association. The CUSIP numbers shown herein are provided by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as manager of CUSIP Global Services, and are shown herein for convenience of reference only. No representation is made as to the correctness of the CUSIP number shown herein for any of the Series 2024A Bonds. The CUSIP numbers for some or all of the Series 2024A Bonds may be changed as a result of various actions occurring after the issuance of the Series 2024A Bonds, including, but not limited to, a refunding in whole or in part of the Series 2024A Bonds or the addition of secondary market portfolio insurance or other credit enhancement applicable to some or all of the Series 2024A Bonds.

**JEFFERSON COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Officers and Directors

Dr. Martin Pollio - President
Corrie Shull– Secretary and Director
Edward D. Muns - Treasurer
Chris Kolb- Director
Joseph Marshall – Director
Linda Duncan - Director
Sarah McIntosh – Director
Gail Logan Strange - Director

JEFFERSON COUNTY BOARD OF EDUCATION

Board Members

Corrie Shull, Chair
James Craig, Vice Chair
Joe Marshall
Linda Duncan
Sarah McIntosh
Gail Logan Strange

Administrative Personnel

Dr. Martin Pollio, Superintendent
Kevin Brown, General Counsel
Edward D. Muns, Chief Financial Officer and Treasurer

BOND COUNSEL

Wyatt, Tarrant & Combs, LLP

FISCAL AGENCY GROUP

RSA Advisors, LLC
and
Robert W. Baird & Co. Incorporated

BOND REGISTRAR AND PAYING AGENT

Truist Bank

REGARDING USE OF THIS OFFICIAL STATEMENT

AUTHORIZED INFORMATION AND REPRESENTATIONS

No dealer, broker, salesman or other person has been authorized by the Issuer, the Board, the Fiscal Agency Group, or the Underwriters to give any information, or to make any representations, other than those contained in this Official Statement. Moreover, if given or made, such other 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 offer to sell, or the solicitation of any offer to buy, nor shall there be any sale of, the 2024A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except where otherwise indicated, the information set forth herein has been obtained from the Issuer and the Board and other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Fiscal Agency Group or the Underwriters. 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 at any time or under any circumstances imply that information or expressions of opinion herein are correct as of any time subsequent to this date or that there has been no change in the affairs of the Issuer or the Board since the date hereof.

In connection with this offering, the Underwriters may overallocate or effect transactions that stabilize or maintain the market price of the 2024A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

REGISTRATION EXEMPTIONS

The 2024A Bonds have not been registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), nor has the General Bond Resolution or the Series 2024A Resolution described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The 2024A Bonds have not been registered under any state securities or “blue sky” laws where the 2024A Bonds will be offered for sale, in reliance upon exemptions contained in such laws. In making an investment decision, investors must rely upon their own examination of the Issuer and the Board and the sources of payment, security for, and other terms of the 2024A Bonds, including the merits and risks of an investment in the 2024A Bonds. No federal or state securities commission or other regulatory authority has recommended an investment in the 2024A Bonds and none of them has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

PRELIMINARY OFFICIAL STATEMENT

The Issuer has deemed this Preliminary Official Statement final as of its date, with respect to the 2024A Bonds, for purposes of Rule 15c2-12 (the “Rule”) of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), except for such information as is permitted to be omitted in accordance with the Rule.

FINAL OFFICIAL STATEMENT

In accordance with the Rule, the Issuer will deliver, within seven business days after the sale of the 2023A Bonds to the Underwriters, a final Official Statement with respect to the 2024A Bonds, dated the date of sale of the Series 2024A Bonds, including the information that was omitted from this Preliminary Official Statement as permitted by the Rule.

TABLE OF CONTENTS

SUMMARY STATEMENT	1
JEFFERSON COUNTY SCHOOL DISTRICT.....	1
JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION	2
THE BONDS	3
Authority.....	3
Description.....	3
Bond Registrar and Paying Agent	3
Redemption.....	3
Limited Obligation; Security and Sources of Payment.....	4
Security Provisions Unique to the 2024A Bonds	5
Securities Depository; Ownership of Bonds	6
Registration and Transfer.....	7
KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION	8
STATE INTERCEPT	9
THE 2024A REFUNDING PROJECT.....	9
Refunding Project and Sources of Funds.....	9
DISTRICT FACILITIES PLAN.....	10
REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT	10
Ad Valorem School Tax	10
Capital Outlay Allotment.....	10
Occupational License Fee	11
CERTAIN LIMITATIONS ON TAXATION	11
STATE SUPPORT FOR EDUCATION	12
Adjusted Base Guaranteed Funding Level.....	12
Tier I Funding Level.....	13
Tier II Funding Level.....	13
State and Local Funding for Capital Outlay and Facilities Construction	14
Kentucky School Facilities Construction Commission	14
LITIGATION.....	15
TAX TREATMENT.....	15
FISCAL AGENCY GROUP.....	16
UNDERWRITING.....	16

RATINGS	16
APPROVAL OF LEGALITY.....	17
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE.....	17
APPROVAL OF OFFICIAL STATEMENT.....	18
Appendix A - Operating, Financial and Tax Base Information of the District	A-1
Appendix B - General Information for Louisville/Jefferson County Metro Government	B-1
Appendix C - Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2024A Bonds	C-1
Appendix D - Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2023	D-1
Appendix E - Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions.....	E-1
Appendix F - Form of Bond Counsel Opinion.....	F-1
Appendix G - Book Entry-System.....	G-1

\$56,000,000*
JEFFERSON COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE REFUNDING BONDS, SERIES 2024A

** Subject to adjustment as described in the Official Terms and Conditions of Bond Sale.*

SUMMARY STATEMENT

The purpose of this Official Statement, including the cover pages and appendices, is to set forth certain information in connection with the offering by the Jefferson County School District Finance Corporation (the “Corporation” or the “Issuer”) of its School Building Revenue Refunding Bonds, Series 2024A (the “2024A Bonds”) in the aggregate principal amount set forth above. The 2024A Bonds are being issued to refund the Issuer’s outstanding School Building Revenue Bonds, Series 2013C and Series 2014A as more fully described herein. The 2024A Bonds rank on a parity as to security and source of payment with the bonds previously issued and presently outstanding under the General Bond Resolution hereinafter described (such bonds, together with the 2024A Bonds, the “Bonds”). Certain capitalized terms used in this Official Statement and not otherwise defined have the meaning given to those terms in “Appendix E - Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions”.

JEFFERSON COUNTY SCHOOL DISTRICT

The District is governed by a seven-member Board of Education. Members represent individual election districts and serve staggered four year terms. The Members elect a chairperson and vice chairperson from among the members. The Superintendent is Secretary of the Board and its executive officer. Dr. Martin “Marty” Pollio assumed the role of acting interim Superintendent of the District on July 2, 2017. He was named Superintendent on February 11, 2018, and is currently serving under a four-year contract effective through June 30, 2025.

The District is coterminous with Jefferson County, Kentucky. It is the largest school district in Kentucky and approximately the 30th largest public school system in the nation. Serving 96,533 students (actual enrollment as of June 30, 2023) in preschool through grade 12, the District included a total of 165 schools and learning centers for FYE 2023: 88 elementary schools, 21 middle schools, 18 high schools, 18 special needs schools, and 20 other learning centers. Enrollment and average daily attendance for the District for the current year and the past five years can be found in “Appendix A - Operating, Financial and Tax Base Information of the District”.

The following table summarizes certain financial information relating to the District and is qualified by reference to the more complete information contained herein:

Assessed property valuation (2023-24 school year)	\$97,249,551,484 ⁽¹⁾
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Total bonded debt outstanding (estimated as of 05/01/2023)	\$573,319,686
Less: Bonded debt payable from other sources (SFCC) ⁽³⁾	(\$77,012,029)
Net local bonded debt	\$496,307,658
Net debt as a percent of assessed valuation	0.510%
Population: Jefferson County (U.S. Census estimate as of 07/01/2023)	782,969
School enrollment (as of June 30, 2023)	96,533
(1) Excludes property removed from the assessed valuation for property tax purposes pursuant to the homestead exemption described below under “CERTAIN LIMITATIONS ON TAXATION AND OTHER TAX MATTERS”.	
(2) Total outstanding bonded debt of the District less SFCC participation. See “STATE SUPPORT OF EDUCATION – Kentucky School Facilities Construction Commission” below and “Bonded Indebtedness Outstanding of the District” in Appendix C.	
(3) Payment expected to be available from the Kentucky School Facilities Construction Commission, as described below under “REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT – Kentucky School Facilities Construction Commission”.	

JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION

Pursuant to Chapter 162 of the Kentucky Revised Statutes (“KRS”) (the “Act”), including particularly KRS 162.385, any board of education may obtain buildings for school purposes in accordance with the provisions of KRS 162.120 to 162.290 by utilizing a non-profit finance corporation established pursuant to KRS 273.161 to 273.390, inclusive, and KRS 58.180, rather than a city or county, as an issuing agency for bonds. The Act also authorizes such a finance corporation to issue refunding bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed for the issuance of the original bonds. The refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds which are refunded.

The Board of Education of Jefferson County, Kentucky (the “Board”), a political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), incorporated on August 24, 1988 a non-profit finance corporation pursuant to KRS 162.385 named Jefferson County School District Finance Corporation (the “Corporation” or the “Issuer”) to act as a municipal corporation and agency and instrumentality of the Board for the issuance of bonds under the Act.

The Board of Directors of the Corporation is made up of the incumbent members of the Board of Education. The incumbent members and officers of the Board and the incumbent directors and officers of the Corporation are listed on the inside front cover of this Official Statement.

For a detailed summary of bonds issued by the Corporation and the other bonds secured by lease payments from the Board, see “Appendix C – Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2024A Bonds.”

THE BONDS

Authority

The 2024A Bonds have been authorized by (i) a General Bond Resolution (the “General Bond Resolution”) duly adopted by the Board of Directors of the Issuer on July 17, 1989, and approved by the Board of Education on July 17, 1989, as subsequently amended through the date hereof, (ii) a Series 2024A Bond Resolution (the “Series Resolution”) adopted by the Board of Directors of the Issuer on February 13, 2024 and approved by the Board of Education on that same date, and (iii) the provisions of the Act. For further information about the General Bond Resolution, see “Appendix E – Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions.”

Description

The 2024A Bonds are issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. Semiannual interest on the 2024A Bonds is payable June 1 and December 1, commencing June 1, 2024 (each, an “Interest Payment Date”) at the rates per annum set forth on the inside cover of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months). Each 2024A Bond shall bear interest from the Interest Payment Date to which interest has been paid as of the date on which such 2024A Bond is authenticated or, if such 2024A Bond is authenticated prior to a date to which interest has been paid, from its original issuance.

The 2024A Bonds will initially be issued as book-entry bonds registered by the Bond Registrar hereinafter identified in the name of a nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the 2024A Bonds. Purchases of the 2024A Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple of \$5,000. Principal of and interest on the 2024A Bonds shall be payable to DTC, which in turn will remit such principal and interest to the beneficial owners of the 2024A Bonds through DTC’s participants, as more fully described below in “BASIC DOCUMENTATION - Security Depository; Ownership of Bonds - Registrar”.

Bond Registrar and Paying Agent

Truist Bank has been appointed by the Issuer and the Board as the Bond Registrar and Paying Agent for the 2024A Bonds.

Redemption

Optional Redemption. The 2024A Bonds maturing after June 1, 2032, shall be subject to redemption prior to maturity, at the option of the Issuer, in whole or from time to time in part, in any order of maturity (less than all of a single maturity to be selected by lot), on any

date on or after June 1, 2032, for which the requisite notice can be given under the General Bond Resolution, at the redemption price of par plus accrued interest to the date of redemption.

The Paying Agent shall give notice of any redemption by first-class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the redemption date, to the registered owner of each 2024A Bond to be redeemed, at such owner's address as it appears on the registration books maintained by the Paying Agent.

Limited Obligation; Security and Sources of Payment

The Bonds and the interest thereon do not and shall not constitute an indebtedness of the Issuer, the Board, the Kentucky School Facilities Construction Commission (“KSFCC” or the “Commission”), or the Commonwealth within the meaning of the constitution and laws of the Commonwealth or a pledge of the faith and credit or the taxing power of the Board, the Commission, or the Commonwealth, but are limited obligations of the Issuer and shall be payable solely from and secured solely by such assets and revenues as are provided in the General Bond Resolution, and neither the Issuer, the Board, the Commission, nor the Commonwealth is or shall be obligated to pay the Bonds except as provided therein. The issuance of any Bonds thereunder shall not directly, indirectly, or contingently obligate the Board, the Commission, or the Commonwealth to levy or to pledge any taxes whatsoever for the payment of the Bonds or to make any appropriation for such payment nor obligate the Issuer to take any actions except as expressly therein provided. The Issuer has no taxing power.

As the sole security and source of payment of the Bonds and the interest thereon, the Issuer pledges, assigns and grants a security interest in [i] the Funds and all monies, securities, obligations and earnings therein, to the extent not required for the payment of any Notes (as defined herein), but excluding any Rebate Fund and all monies, securities and obligations therein; [ii] the Pledged Receipts (as defined herein); [iii] all of the Issuer’s right, title and interest in and to all Leases and Participation Agreements (provided that each Participation Agreement shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein); and [iv] all proceeds of the foregoing. Except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, the foregoing, together with the statutory mortgage liens that are created, granted and recognized by the Issuer pursuant to KRS 162.200 and the General Bond Resolution, and such statutory mortgage liens as may be created, granted and recognized by the Issuer pursuant to KRS 162.200 and in any Series Resolutions or Supplemental Resolutions, constitute the “Security” for the Bonds and all other Bonds issued under the General Bond Resolution and the interest thereon without preference of one Bond or Series of Bonds over another Bond or Series of Bonds.

A statutory mortgage lien on the Issuer’s interest in each Project that is financed with the Bonds issued under the General Bond Resolution is created, granted and recognized, to the extent such a lien can be lawfully applicable to such Project (or a portion thereof), in favor of the Holders of the Bonds and pursuant to KRS 162.200, but only upon the application of the proceeds of a Series of Bonds to such Project thereunder and until payment in full of the principal of, Redemption Price and interest on the Bonds of such Series Outstanding thereunder.

Such statutory mortgage lien shall not attach to any Project with respect to which no proceeds of Bonds have been applied. The statutory mortgage lien is and shall be valid and binding on each Project to which it applies, and upon any additions, extensions and improvements thereto that may be constructed from the proceeds of the Bonds, together with appurtenances, equipment therein, and such easements and rights-of-way for ingress, egress and the rendering of services as may be necessary for proper use and maintenance, all without the need for any further action by the Issuer or the Board or any filing or recording with respect thereto.

The Issuer reserves the right to erect or construct upon any Project other structures and improvements free and clear of the statutory mortgage lien, even though the same are connected by using as party walls one or more walls of structures which are subject to the statutory mortgage lien, provided that the same are capable of use as separate entities in themselves, and have their own outside entrances, and provided that no part of the costs of such additional structures and improvements are paid from the proceeds of the Bonds.

The Issuer also reserves the right to release or convey, with or without consideration, free and clear of the statutory mortgage lien, such easements, rights-of-way, licenses or other rights over, upon or beneath the surface of a Project as may reasonably be required for roads, utilities, drainage or other public purposes, provided that [i] no such release or conveyance shall interfere with the ownership and efficient operation of the Project, [ii] ingress to and egress from the Project shall not thereby be impaired and [iii] there shall be no reduction of the rentals otherwise required under any Lease or Leases.

The Bonds are payable solely from and secured solely by the Security. The General Bond Resolution provides for the setting aside annually into a special account, separate and apart from all other accounts and designated the “County of Jefferson School Building Revenue Debt Service Fund” (the “Debt Service Fund”), of a sufficient portion of the gross income and revenues of the Projects to provide for the payment of interest on and principal of all outstanding Bonds as and when the same become due. All funds placed in the Debt Service Fund are exclusively and irrevocably pledged for the payment of principal of and interest on the Bonds and may not be used for any other purpose.

The General Bond Resolution also provides that the balance of the gross income and revenues of the Projects (after first making the required payments into the Debt Service Fund), if any, shall be set aside into a Maintenance Fund to provide for the proper maintenance of School Buildings and to provide for insurance against fire, lightning, windstorm or other calamity, in the amount of the full insurable value of the property or the principal amount of the then outstanding Bonds, whichever shall be greater, to the extent not otherwise paid by the Board.

Security Provisions Unique to the 2024A Bonds

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements on the 2024A Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a Participation Agreement to be dated as of the date of delivery of the 2024A Bonds (the “Participation Agreement”), between the Board and the Kentucky School Facilities Construction Commission

under which the Commission has agreed to pay annually to the Bond Registrar for the 2024A Bonds an amount (calculated based on the debt service on the bonds resulting from the competitive sale thereof) (the “Agreed Participation”) estimated to be approximately 9.2% of the annual principal and interest requirements for the 2024A Bonds, subject to the constitutional restrictions limiting the commitment to the biennial period; the obligations of the Commission are limited to the biennial fiscal period of the Commonwealth, in this case terminating June 30, 2024, and June 30 every two years thereafter, provided that if the Commission elects not to continue to pay the Agreed Participation, it shall give notice to the Board and the original purchasers of the 2024A Bonds, at least sixty (60) days before the expiration of the biennial fiscal period then in effect. There is no assurance the Kentucky General Assembly will appropriate sufficient funds to enable the Commission to pay the Agreed Participation or that the Governor of the Commonwealth will not veto the appropriation from time to time. Amounts contributed by the Commission during the period the Participation Agreement is in effect are to be applied only to the principal and interest requirements of the 2024A 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 Issuer in order to secure the 2024A Bonds.

As described above, each Participation Agreement shall be security only for the Series of Bonds for which the Participation Agreement was entered into unless otherwise provided therein.

Securities Depository; Ownership of Bonds

The 2024A Bonds initially shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the 2024A Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), New York, New York. See “Appendix G - Book-Entry System” attached hereto, for further information on DTC and the book-entry system.

Except as provided below under this subheading, the 2024A Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Issuer or to a nominee of such successor Securities Depository. The person in whose name any Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on such Bond shall be made only to or on the order of the registered owner thereof or his legal representative. Neither the Issuer nor the Bond Registrar shall have any responsibility or obligation with respect to [i] the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the 2024A Bonds, [ii] the delivery to any Agent Member, any beneficial owner of the 2024A Bonds or any other person, other than the Securities Depository, of any notice with respect to the 2024A Bonds or [iii] the payment to any Agent Member, any beneficial owner of the 2024A Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal, premium, if any, or interest on the 2024A Bonds.

So long as any 2024A Bonds are registered in Book-Entry Form, the Issuer and the Bond Registrar may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such 2024A Bonds for all purposes whatsoever, including without limitation [i] payment of principal, premium, if any, and interest on 2024A Bonds, [ii] giving notices of redemption and other matters with respect to the 2024A Bonds, [iii] registering transfers with respect to the 2024A Bonds, [iv] selection of 2024A Bonds for redemption and [v] for purposes of obtaining consents under the 2024A Resolution. Notwithstanding the definition of the term “Bondholder” or “Holder” or “Holder of Bonds” in the 2024A Resolution, as referencing registered holders of the 2024A Bonds, the Bond Registrar shall be entitled to rely on written instructions from a majority of the beneficial owners of the 2024A Bonds with reference to any consent required from the registered holders pursuant to the terms of the 2024A Resolution.

If at any time the Securities Depository notifies the Issuer that it is unwilling or unable to continue as Securities Depository with respect to the 2024A Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Issuer within ninety (90) days after the Issuer receives notice or becomes aware of such condition, as the case may be, then the above provisions in this subheading on the book-entry only system shall no longer be applicable and the Issuer shall execute and the Registrar shall authenticate and deliver certificates representing the 2024A Bonds to the Bondholders.

Registration and Transfer

Interest on each Bond not registered in Book-Entry Form to a Securities Depository shall be payable by check mailed by the Bond Registrar to the Holder thereof as of the Record Date, at the address shown on the registration books kept by the Bond Registrar or at such other address as is furnished to the Bond Registrar in writing by such Holder. The principal of and premium, if any, on the 2024A Bonds not registered in Book-Entry Form to a Securities Depository shall be payable, without exchange or collection charges, in lawful money of the United States of America on their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption or acceleration, at the designated corporate trust office of the Bond Registrar. On request of a Holder of at least \$1,000,000 in aggregate principal amount of the 2024A Bonds, all payments of principal of, premium, if any, or interest on the 2024A Bonds shall be paid by wire transfer in immediately available funds to an account designated by such Holder.

Principal of, premium, if any, and interest on 2024A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Bond Registrar to the Securities Depository or its nominee. So long as any 2024A Bonds remain Outstanding, the Bond Registrar shall keep and maintain at its designated corporate trust office complete registration records in respect of the 2024A Bonds and shall provide for the registration of transfer and exchange of the 2024A Bonds in accordance with the terms of the 2024A Resolution, subject to such reasonable procedures and regulations as the Bond Registrar may prescribe.

Except as may be otherwise provided in the 2024A Resolution for 2024A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the designated corporate trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his authorized representative.

Except as may be otherwise provided in the 2024A Resolution for 2024A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, 2024A Bonds shall be exchangeable for a Bond or Bonds of the same maturity and interest rate and in Authorized Denominations, within a single maturity in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Bond Registrar is authorized to authenticate, deliver and exchange 2024A Bonds in accordance herewith. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the Issuer and shall be entitled to the benefits and security of the 2024A Resolution to the same extent as the Bond exchanged shall be canceled by the Registrar and the Bond Registrar shall maintain a complete record of all exchanges, transfers and cancellations of 2024A Bonds and shall make a report thereof to the Issuer on request.

Except as may be otherwise provided in the 2024A Resolution for 2024A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, no service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond. However, the registered owner of any Bond may be required to pay an amount equal to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond for the period beginning 15 days prior to the selection by the Bond Registrar of 2024A Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption.

On the receipt by the Issuer and the Bond Registrar of evidence satisfactory to them of the loss, theft, destruction or mutilation of any Outstanding Bonds, and of indemnity satisfactory to them, and on surrender and cancellation of such Bond if mutilated, the Issuer may execute and the Bond Registrar may authenticate and deliver, on the lapse of such period of time as they may deem advisable, a new Bond of like series, tenor and maturity bearing the same or different serial number, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. The Issuer and the Bond Registrar may require the payment of costs for each such new Bond issued, and the furnishing of indemnity satisfactory to the Issuer and the Bond Registrar. The Bond Registrar shall incur no liability for anything done by it under the foregoing procedures in the absence of its gross negligence or fault.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

The 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 678, KDE’s supervision of local school districts continues to apply to 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. KDE has advised the Issuer that Kentucky has a perfect record of no defaults in payment of its revenue bonds for school purposes. The Issuer believes that KDE’s supervision and control is a major contribution to this record.

STATE INTERCEPT

Under the terms of the Lease, and any renewal thereof, the Board has agreed so long as the 2024A Bonds remain outstanding, and in conformance with the intent and purpose of KRS 157.627(5) and 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 to the Issuer under the terms of the Lease to the Issuer and the Commission the right to notify and request that KDE withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated by KDE to the Board and to request KDE to transfer such amount to the Paying Agent for the payment of such rentals. These provisions apply to the 2024A Bonds and the Lease, and are effective, notwithstanding the enactment of HB 678.

THE 2024A REFUNDING PROJECT

Refunding Project and Sources of Funds

The 2024A Bonds are being issued to refund the Issuer’s School Building Revenue Bonds, Series 2013C, now outstanding in the principal amount of \$23,345,000 (the “2013C Bonds”) and the Issuer’s School Building Revenue Bonds, Series 2014A, now outstanding in the principal amount of \$38,205,000 (the “2014A Bonds”, and collectively with the 2013C Bonds, the “Refunded Bonds”), both of which financed improvements to school building facilities of the Board. The refunding of the Refunded Bonds (the “2024 Refunding Project”) is being undertaken to achieve debt service savings and as a part of the District Facilities Plan described below (See “DISTRICT FACILITIES PLAN”).

Proceeds of the 2024A Bonds will be deposited upon the issuance of the 2024A Bonds in escrow funds for the defeasance of the Refunded Bonds and disbursed on June 18, 2024 to redeem the Refunded Bonds.

The sources and uses of funds for the 2024A Refunding Project are as follows:

Sources of Funds

Principal Amount of 2024A Bonds	\$ _____
Original Issue Premium/Discount	_____
TOTAL	\$ _____

Uses of Funds

2024 Refunding Project	\$ _____
Underwriter's Discount	_____
Costs of Issuance*	_____
TOTAL	\$ _____

* Costs of issuance includes the fees of the Fiscal Agency Group, Bond Counsel, and the Bond Registrar/Paying Agent.

DISTRICT FACILITIES PLAN

The Board approved amendments to its District Facilities Plan on April 26, 2022, which were approved by KDE in May of 2022, providing for new construction and renovations throughout the District. The resources necessary to finance the plan are expected to come from several sources, including the Board's available funds, bonds supported by the Commission, and bonds supported by the Board's revenues. Except as specifically described herein, there can be no assurance that the Board will not amend or revoke the plan or that the Issuer or the Commission will issue or support bonds or other funding for the plan in its current form or as hereafter amended.

REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT

Ad Valorem School Tax

Pursuant to KRS 160.470 the Board levies an annual ad valorem tax per \$100 of the assessed valuation of general real property, motor vehicles, tangibles and distilled spirits located within the District. Proceeds of the tax may be used to fund the general operating expenses of the Board, including rental payments by the Board pursuant to the Lease during each year it is renewed, but are not expected to be used to fund such rental payments because of the availability of the other expected revenue sources described below. Pursuant to KRS 160.476, the annual rate of ad valorem tax levied by the District also includes a school building fund tax to be used for the acquisition, construction, and equipping of school buildings and the sites thereof and to pay debt service on debt incurred for such purposes. See "Appendix A - Operating, Financial and Tax Base Information of the District" for more information.

Capital Outlay Allotment

Kentucky law provides for an annual payment by the Commonwealth to the Board to pay for capital construction or acquisition. Since the 1990-91 school year, the capital outlay allotment has been calculated as \$100 times average daily attendance (see “STATE SUPPORT FOR EDUCATION” below). Funds from the capital outlay allotment are not directly pledged for debt service, but as a practical matter, and to the extent needed, may and are expected to be applied to debt service on the Bonds through rental payments by the Board pursuant to the Lease during each year it is renewed. See “Appendix A - Operating, Financial and Tax Base Information of the District” for more information.

Occupational License Fee

The Board currently imposes, for general school purposes including operations, an annual occupational license fee of three-quarters of one percent (0.75%) on (i) salaries, wages, commissions and other compensation earned by persons residing within the District for work done and services performed in Jefferson County (the “County”); and (ii) the net profits of businesses, occupations and professions located in the District from activities conducted in the County. See “Appendix A - Operating, Financial and Tax Base Information of the District” for more information.

CERTAIN LIMITATIONS ON TAXATION

KRS 160.470 generally restricts school districts from levying ad valorem property taxes that would generate revenues in excess of the previous year’s revenues. There are three principal exceptions: (1) KRS 160.470(9), (2) KRS 160.470(10), and (3) KRS 157.440(1).

Under KRS 160.470(9)(a), school districts are directed to levy a “minimum equivalent tax rate” of thirty cents (\$0.30) 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 fees and utilities license 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 Kentucky Department of Revenue. Failure to levy the minimum equivalent rate subjects the members of the board of the district to removal.

KRS 160.470(10) provides that a school district may levy a general tax rate that will produce revenue from real property, exclusive of revenue from new property, that is four percent (4%) over the amount produced by the compensating tax rate defined at KRS 132.010(6).

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(9)(a) which will produce up to fifteen percent (15%) of those revenues guaranteed by the program to Support Education Excellence in Kentucky (“SEEK”). Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470. Effective with the 1990-91 school year, the Commonwealth is directed to equalize the revenue generated by this levy at one hundred fifty percent (150%) of the statewide average per pupil equalized assessment. For the biennium ending June 30, 2022, this levy is set at \$916,000.

Section 170 of the Kentucky Constitution exempts from property taxes the first \$6,500 of residential property maintained as the permanent residence of taxpayers 65 years of

age or older or who have been classified as totally disabled under a United States government or railroad retirement system program. The exemption applies to real property “held by legal or equitable title, by the entireties, jointly, in common, [or] as a condominium ...” maintained as the permanent residence of the owner. KRS Chapter 132 permits counties and school districts to adjust their local tax revenues through increases in taxes on non-exempt property by amounts equivalent to the revenues lost through application of this homestead exemption. By statute, the \$6,500 exemption “shall be construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two (2) years thereafter, if the cost of living index of the United States department of labor has changed as much as one percent (1%), the maximum exemption shall be adjusted accordingly.” See “Appendix A - Operating, Financial and Tax Base Information of the District” for the current total homestead exemption amount in the District and the current individual exemption.

STATE SUPPORT FOR EDUCATION

Kentucky funds its system of public schools through the Support Education Excellence in Kentucky (“SEEK”) funding formula which is a shared state and local funding mechanism that guarantees a certain minimum amount of per pupil funding for each school district and provides incentives for school districts to raise funds above that minimum amount through additional local taxation. The SEEK program is a “tiered” system of three related components: the adjusted base guarantee, Tier I, and Tier II.

Adjusted Base Guaranteed Funding Level

Section 157.360 of the Kentucky Revised Statutes (“KRS”) guarantees a base funding level, which is a guaranteed amount of revenue per pupil to be provided to each school district and used for regular operating and capital expenditures. KRS 157.320(2). The base funding guaranteed to each school district is determined in each fiscal year by dividing the total annual state SEEK appropriation by the state-wide total of pupils in average daily attendance (“ADA”) in the preceding fiscal year. KRS 157.360. Each school district is guaranteed to receive an amount equal to the base funding level for each ADA pupil in the district in the previous year, adjusted by certain factors such as the number of at-risk and/or exceptional students located in the district, transportation costs, etc. KRS 157.360(2) and 157.370; 702 Kentucky Administrative Regulations (“KAR”) 3:270, Section 2(4). The statewide base guarantee, with these additions and adjustments, is the school district's adjusted base guarantee. 702 KAR 3:270 (SEEK funding formula), Section 2(4)(a).

While the state guarantees that each district will receive this minimum level of funding, the state does not provide all of the funds. Each district is required to provide a level of funding from local taxes (ad valorem property taxes and the permissive school taxes - occupational license fees, utility gross receipts license taxes, and/or excise taxes), the "required local effort," that is based upon the total assessed value of property plus the assessment for motor vehicles within the district. KRS 157.360(17), 157.390(5), and 157.615(6).

Required Local Effort to Fund Adjusted Base Guarantee. KRS 160.470(9) requires that each school district levy a “minimum equivalent tax rate” of \$0.30 per \$100 of assessed property value 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 ad valorem property taxes and the permissive school 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 Kentucky Department of Revenue. KRS 160.470(9) and 702 KAR 3:270, Section 1(8). Each school district determines the amount of revenue that would be generated by the levy of a \$0.30 ad valorem tax rate. Once that amount is calculated, each school district must levy a \$0.30 ad valorem tax rate (or its equivalent) by raising that amount through ad valorem taxes on property and through the permissive school taxes. Each school district's portion of the adjusted base guaranteed funding level it will receive from the state, therefore, is reduced by the amount of all local taxes collected by the district that is equal to 0.30% of the total value of assessed property in the district. Revenue collected by a district above this required local effort is dealt with in the next tier of the SEEK formula. In levying the \$0.30 minimum equivalent tax rate, any annual increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of that Section.

State Funding of the Adjusted Base Guarantee. KRS 157.330 establishes the state SEEK fund, which is funded from biennial appropriations from the Kentucky General Assembly for distribution to school districts. The state is required to provide from this fund that portion of each district's adjusted base guarantee not funded by the required local effort. Each school district receives from the state SEEK fund the district's adjusted base guarantee less the amount of the local tax revenues generated for school purposes by the \$0.30 minimum equivalent tax rate. KRS 160.470; 702 KAR 3:270, Section 2(4)(b). In addition to the required local effort and the state portion of the adjusted base guarantee, each district has the option of generating additional revenues through additional local effort.

Tier I Funding Level

KRS 157.440(1)(a) provides that each school district may levy an equivalent tax rate which will produce not only the required local effort but also up to an additional 15% of those revenues guaranteed by the SEEK program (known as "Tier I" funding). 702 KAR 3:270, Section 2(5). In levying this rate, any increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of KRS 160.470(8). Each school district participating in Tier I funding is eligible for state equalization funds if its assessed property value per pupil is less than 150% of the statewide average per pupil assessment. This ensures that districts which make a similar effort receive the same amount of Tier I revenue per student, regardless of the district's property wealth.

Tier II Funding Level

KRS 157.440(2)(a) permits school districts to levy up to an additional 30% of those revenues guaranteed by the SEEK program plus the revenue produced by the 15% levy comprising the Tier I funding (known as "Tier II" funding). Districts are allowed to raise additional revenue up to 30% of the total adjusted base guarantee plus Tier I and, if levied, the FSPK Nickel (see below). KRS 157.440(2)(a). Revenues raised through local taxation (ad valorem property taxes and occupational license fees, utility gross receipts license taxes or excise taxes) in excess of those counted against a district's required local effort and Tier I efforts are deemed Tier II funds. There is no state funds equalization involved in Tier II funding. A school

district seeking to levy taxes at a Tier II funding level cannot, without prior voter approval, levy a general property tax rate that exceeds the maximum rate that could have been levied on all property in the prior year. KRS 157.440(2)(a) and KRS 160.470(1). To ensure equity of opportunity in Kentucky schools, no school district may provide funding in excess of Tier II funding. However, no district is compelled to levy an equivalent tax rate lower than the rate levied in the 1989-1990 school year. KRS 157.440(1)(e).

State and Local Funding for Capital Outlay and Facilities Construction

The Facilities Support Program of Kentucky (“FSPK”, also known as the Building Fund, School Facilities Construction Commission Funds, and SEEK Capital Outlay) provides state funding to meet the facility needs of school districts as shown on each district’s facility plan. KRS 157.611(1).

SEEK Capital Outlay. KRS 157.390(3) and 157.420(4) establish a formula which results in an allocation of the biennial state SEEK funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment for the current biennium (\$4,100 for FY 2023 and \$4,200 for FY 2024). The SEEK capital outlay is required to be segregated into a Capital Outlay Allotment Fund which may only be used 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. These capital outlay funds are part of the state funded portion of the adjusted base guarantee.

FSPK Nickel. School districts must levy a minimum equivalent tax rate of \$0.05 per \$100 of property assessment to participate in the FSPK program (known as the “FSPK Nickel”). KRS 157.440(1)(b) and 157.620(1). If the funds from the FSPK Nickel levy are committed to debt service, the FSPK provides equalized funding for school systems at 150% of the statewide average per pupil assessment. This FSPK Nickel is in addition to the \$0.30 minimum local effort required for SEEK. KRS 157.440(1)(b). In levying this rate, any increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of that Section. KRS 157.440(1)(d).

Kentucky School Facilities Construction Commission

The Commission is an independent agency and instrumentality of the Commonwealth established pursuant to KRS 157.611 through 157.640 for the purpose of assisting local school districts in funding the cost of school construction and major renovation projects, in accordance with their school facilities plans approved by the Kentucky Department of Education (“KDE”), in excess of available local resources. The Commission assists a local school district by (i) issuing school building revenue bonds to finance a capital construction project of the district or (ii) participating in the school building revenue bond issue of a local school district finance corporation on behalf of its local school district by allocating specified annual amounts, subject to biennial appropriation of such amounts by the Kentucky General Assembly, toward the lease rentals payable by the school district to the finance corporation representing the debt service on the bonds. Notwithstanding any such participation of the

Commission in a local school building revenue bond issue, the local school district is responsible for making all rental payments due under the lease supporting the bond issue if such annual amounts are not appropriated by the General Assembly and paid by the Commission.

It is anticipated that the Commission will participate in the payment of an amount that approximates 9.2% of the annual debt service requirements on the 2024A Bonds, subject in each case to biennial appropriations by the General Assembly. See “Security Provisions Unique to the 2024A Bonds” for more information and “Appendix C – Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the 2024A Bonds” for the outstanding bond issues of the Corporation in which the Commission has participated and the estimated annual Commission participation amounts.

LITIGATION

In the opinion of the Board’s General Counsel, as of the date of the issuance of the 2024A Bonds, there is no litigation of any nature pending or, to such counsel’s knowledge, threatened, which in the opinion of such counsel presents greater than a remote risk of being decided adversely to the Board, and which, if decided adversely to the Board, would restrain or enjoin the issuance or delivery of the 2024A Bonds, question the authority of the Board to enter into the Lease or the Participation Agreement, materially affect the financial condition of the Board as set forth in this Official Statement or materially and adversely affect the 2024A Bonds, the security for the 2024A Bonds, the Board’s ability to make all lease payments as the same shall become due and payable, or the Board’s ability to perform its obligations under the Lease.

TAX TREATMENT

In the opinion of Wyatt, Tarrant & Combs, LLP, Bond Counsel, under existing law and as of the date of issuance thereof, (i) interest on the 2024A Bonds is excluded from gross income for federal income tax purposes and (ii) under the Constitution and laws of the Commonwealth of Kentucky, the 2024A Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth and all of its political subdivisions and taxing authorities.

For the purpose of rendering the opinions described above, Bond Counsel will assume compliance by the Issuer with the requirements of the Internal Revenue Code that must be met subsequent to the issuance of the 2024A Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the 2024A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2024A Bonds. The Issuer has covenanted to comply with such requirements in a Tax Compliance Certificate executed by the Issuer upon the issuance of the 2024A Bonds.

Other than as stated above, Bond Counsel expresses no opinion as to any federal, state, or local income tax consequences arising from the ownership or disposition of, or the accrual or receipt of interest on, the 2024A Bonds. Purchasers of 2024A Bonds should consult their own tax advisors regarding such tax consequences as are applicable to their individual circumstances.

The Series 2024A Bonds have not been designated by the Issuer as “qualified tax-exempt obligations” (commonly known as “bank qualified” bonds) under Section 265(b)(3) of the Code.

The exclusion from gross income for federal income tax purposes of the interest on the 2024A Bonds may have certain adverse consequences in other respects for certain taxpayers, including but not limited to financial institutions, insurance companies, C corporations, S corporations, foreign corporations, recipients of Social Security and Railroad Retirement benefits, taxpayers that are deemed to incur or continue indebtedness to acquire tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of such other tax consequences will depend upon the particular tax status and other items of income and expense of the owners of the 2024A Bonds. Bond Counsel expresses no opinion regarding such other tax consequences.

FISCAL AGENCY GROUP

This Official Statement was prepared and distributed by, and RSA Advisors, LLC and Robert W. Baird & Co. Incorporated (collectively, the “Fiscal Agency Group”). The information set forth herein was obtained from the Board, the Issuer, and other sources believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Fiscal Agency Group.

UNDERWRITING

The 2024A Bonds were purchased at a competitive sale held on March 14, 2024, for underwriting to the public by _____ at a purchase price of \$_____ (equal to the \$_____ aggregate principal amount of the 2024A Bonds, plus or minus original issue premium or discount of \$_____, less underwriter’s discount of \$_____).

The initial public offering prices set forth on the inside cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the 2024A Bonds to certain dealers (including dealers depositing 2024A Bonds into investment trusts) and others at prices lower than the offering prices set forth on the inside cover page.

RATINGS

Moody's Investors Service, Inc. (“Moody's”) and S&P Global Ratings (“S&P”), a business unit of Standard & Poor's Financial Services LLC, have assigned the ratings of the 2024A Bonds set forth on the cover page hereof. Certain information may have been submitted to the rating agencies which is not included in this Official Statement. The ratings reflect only the views of the rating agencies. Any explanation of the significance of the ratings should be obtained from the rating agencies. There is no assurance that either or both of the ratings might not be lowered or withdrawn entirely by the respective rating agencies. Any such downward change in or withdrawal of either or both of the ratings might have an adverse effect on the market price of the 2024A Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

American Municipal Tax-Exempt Compliance Corp. (“AMTEC”) will verify from the information and schedules provided to them by the Fiscal Agency Group the mathematical accuracy as of the date of issuance of the 2024A Bonds of (1) the computations used to determine that the anticipated receipts from the securities and cash deposited in escrow will be sufficient to pay the redemption price of the Refunded Bonds on the redemption date and (2) the computations of yield on both the securities and the 2024A Bonds contained in the schedules used by Bond Counsel in its determination that the interest on the 2024A Bonds is excluded from gross income for Federal income tax purposes. AMTEC will express no opinion on the information and assumptions provided to them for such purposes nor as to the exclusion from gross income for Federal income tax purposes of the interest on the 2024A Bonds.

APPROVAL OF LEGALITY

Certain legal matters incident to the authorization, issuance and sale of the 2024A Bonds are subject to the approval of Wyatt, Tarrant & Combs, LLP, Louisville, Kentucky, as Bond Counsel to the Issuer. The form of opinion of Bond Counsel to be delivered in connection with the issuance of the 2024A Bonds is contained in Appendix F hereto.

Bond Counsel has reviewed the information contained in this Official Statement under the headings of “THE BONDS” and “TAX TREATMENT”, and the summaries of documents contained in Appendix E hereto, and is of the opinion that such information is an accurate summary of the instruments and information described therein.

Bond Counsel has not otherwise participated in the preparation of this Official Statement and has not verified the accuracy or completeness of the information in the Official Statement except to the extent described above. Without limiting the generality of the foregoing, Bond Counsel has not undertaken to review the accuracy or completeness of the financial, or statistical information contained in this Official Statement or its appendices.

The information contained under the heading “LITIGATION” in this Official Statement has been reviewed and approved by Kevin Brown, Esq., as General Counsel to the Board and the Issuer.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

In a Continuing Disclosure Certificate to be delivered to the underwriters of the 2024A Bonds as of the date of original issuance of the 2024A Bonds (the “Continuing Disclosure Certificate”), the Board undertakes for the benefit of Bondholders to provide to each Repository (as defined in the Continuing Disclosure Certificate):

[i] certain financial information and operating data relating to the Board; and

[ii] notices of the occurrence of certain events.

This undertaking is being made by the Board in order to assist the underwriters of the 2024A Bonds, in complying with the requirements of subsection (5) of section (b) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”).

The Continuing Disclosure Certificate, including the specific nature of the information to be contained in an annual report or a notice of an event, certain limitations on the Board’s undertaking, and provisions permitting the amendment and termination of the Continuing Disclosure Certificate, is summarized below in this Official Statement, at “Appendix E - “Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions.”

Among other things, the Continuing Disclosure Certificate provides that the Board may terminate its obligations if the Board ceases to be an “obligated person” with respect to the 2024A Bonds (within the meaning of the Rule). The Continuing Disclosure Certificate provides that any right to enforce it shall be limited to obtaining specific enforcement of the Board’s obligations thereunder, and that failure by the Board to comply with the Continuing Disclosure Certificate shall not be an event of default under the 2024A Bonds, the Lease or the General Bond Resolution.

The Board from time to time may elect (but is not contractually bound) to provide other periodic reports or financial information, or notice of the occurrence of other events, in addition to those described in the Continuing Disclosure Certificate.

The Board has not during the past five years failed to comply, in any material respect, with any previous undertaking in a written contract or agreement specified in the Rule.

APPROVAL OF OFFICIAL STATEMENT

The Issuer has approved and caused this Official Statement to be executed and delivered by its President. This Official Statement is deemed “final” by the Issuer as of the date hereof for purposes of SEC Rule 15c2-12(b)(1), except for information permitted by the rule to be excluded. The Issuer will deliver a certificate simultaneously with the issuance of the 2024A Bonds to the effect that as of the date of issuance of the 2024A Bonds, and after due inquiry of responsible officers and employees of the Issuer, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

The financial information supplied by the Board and reported herein is represented by the Board to be correct. Only accounts required by Federal and State laws, rules and regulations to be audited annually by independent certified public accountants have been so audited and the financial information extracted from their annual audits and presented herein is incomplete to the degree that accounts not required to be so audited have not been included in the annual audits conducted by the Board’s independent certified public accountants. A copy of the most recent audit is contained in Appendix D.

The financial and related data regarding capital outlay allotments, assessments, tax rates and school tax collections, classroom attendance and receipts and expenditures contained in this Official Statement have been extracted from official records of the Board.

The distribution of this Official Statement has been authorized by the Board and by the Board of Directors of the Issuer.

BOARD OF EDUCATION OF
JEFFERSON COUNTY

JEFFERSON COUNTY SCHOOL DISTRICT
FINANCE CORPORATION

By: _____
Superintendent

By: _____
President

APPENDIX A

OPERATING, FINANCIAL AND TAX BASE INFORMATION OF THE DISTRICT

Operating Information

The District serves the public education needs of Jefferson County, Kentucky. Enrollment and average daily attendance for the District for the past five years are as follows:

<u>Year</u>	<u>Enrollment</u>	<u>Average Daily Attendance</u>
2022-23 ⁽¹⁾	97,912	83,587
2021-22 ⁽¹⁾⁽²⁾	98,506	87,753
2020-21 ⁽¹⁾⁽²⁾	98,506	87,753
2019-20 ⁽¹⁾⁽²⁾	98,506	84,323
2018-19	98,506	84,323

Source: Jefferson County School District

- 1 For FY2021-FY2024, the legislature will be funding districts for full-day kindergarten instead of half-day.
- 2 According to guidance from the KDE, due to COVID-19 remote learning, official enrollment and ADA numbers were not calculated for FY2019-FY2022.

Financial Data

The District maintains its books and records on the modified accrual method of accounting. This practice is the accounting method prescribed by the Kentucky Department of Education for local school districts. Adjustments have been made for financial statement presentations. These adjustments are described in the audited financial statements for the fiscal year ended June 30, 2023 (a copy of which is included as Appendix D).

The following tables summarize the activity of the major funds used by the District in managing its business affairs:

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General Fund

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Property Taxes	\$ 580,019,236	\$ 551,420,941	\$ 489,814,154	\$ 462,895,650	\$ 442,127,249
Occupational Taxes	206,342,623	206,474,525	176,787,809	156,348,315	165,754,818
Other Taxes	74,667,834	106,915,232	63,516,855	54,014,453	56,671,549
State SEEK Program	224,984,448	224,312,952	210,091,160	225,684,013	247,934,805
Other State Revenues	414,714,711	325,859,372	324,258,402	322,477,942	304,164,747
Interest	20,147,815	795,630	270,209	4,395,350	7,371,642
Other Sources	<u>12,800,801</u>	<u>5,088,368</u>	<u>5,295,322</u>	<u>11,619,650</u>	<u>10,936,241</u>
Total Revenues	\$ 1,533,677,468	\$ 1,420,867,020	\$ 1,270,033,911	\$ 1,237,435,373	\$ 1,234,961,051
Instruction	772,115,458	697,834,598	698,496,069	701,638,031	696,775,984
Support Services	445,452,884	370,730,117	352,346,216	362,142,927	335,048,443
Plant Operations & Maintenance	148,854,140	119,368,564	95,760,707	115,049,730	116,359,814
Transportation	79,123,449	72,866,769	64,492,953	84,502,094	87,360,599
Other Expenditures	<u>5,333,206</u>	<u>3,892,019</u>	<u>3,962,598</u>	<u>4,620,337</u>	<u>4,184,376</u>
Total Expenditures	\$ 1,450,879,137	\$ 1,264,692,067	\$ 1,215,058,543	\$ 1,267,953,119	\$ 1,239,729,216
Transfers to Other Funds	<u>\$ (108,131)</u>	<u>\$ (31,237,901)</u>	<u>\$ (5,683,885)</u>	<u>\$ 6,625,440</u>	<u>\$ 4,988,590</u>
Net Change in Fund Balance	\$ 82,906,462	\$ 187,412,854	\$ 60,659,253	\$ (37,143,186)	\$ (9,756,755)
Beginning Fund Balance	<u>\$ 342,719,650</u>	<u>\$ 155,306,796</u>	<u>\$ 94,647,543</u>	<u>\$ 131,790,729</u>	<u>\$ 141,547,484</u>
Ending Fund Balance	<u>\$ 425,626,112</u>	<u>\$ 342,719,650</u>	<u>\$ 155,306,796</u>	<u>\$ 94,647,543</u>	<u>\$ 131,790,729</u>

Capital Outlay

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Capital Outlay Allotment	<u>\$ 8,775,318</u>	<u>\$ 8,775,318</u>	<u>\$ 8,432,343</u>	<u>\$ 8,432,343</u>	<u>\$ 8,629,589</u>
Total Revenues	\$ 8,775,318	\$ 8,775,318	\$ 8,432,343	\$ 8,432,343	\$ 8,629,589
Transfers for Debt Service	<u>8,775,318</u>	<u>8,775,318</u>	<u>8,432,343</u>	<u>8,432,343</u>	<u>8,629,589</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Building Fund

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Property Tax Revenues	\$ 47,443,915	\$ 42,887,717	\$40,433,958	\$ 39,708,760	\$ 37,943,111
Other Sources	<u>100,464</u>	<u>101,893</u>	<u>101,917</u>	<u>101,966</u>	<u>102,096</u>
Total Revenues	\$ 47,544,379	\$ 42,989,610	\$40,535,875	\$ 39,810,726	\$ 38,045,207
Transfers for Debt Service	<u>53,581,879</u>	<u>37,103,692</u>	<u>47,139,567</u>	<u>37,231,568</u>	<u>43,324,491</u>
Net Change in Fund Balance	\$ (6,037,500)	\$ 5,885,918	\$(6,603,692)	\$ 2,579,158	\$ (5,279,284)
Beginning Fund Balance	<u>\$ 6,041,799</u>	<u>\$ 155,881</u>	<u>\$ 6,759,573</u>	<u>\$ 4,180,415</u>	<u>\$ 9,459,699</u>
Ending Fund Balance	<u>\$ 4,299</u>	<u>\$ 6,041,799</u>	<u>\$ 155,881</u>	<u>\$ 6,759,573</u>	<u>\$ 4,180,415</u>

Tax Base Information

The taxing power of the Board, the Commission and the Commonwealth are not pledged to the payment of Notes, and the issuance of the Notes shall not directly, indirectly, or contingently obligate the Board, the Commission or the Commonwealth to levy or to pledge any taxes whatsoever.

Property Subject to Taxation

The following table summarizes the assessed valuation of real property, tangible property, motor vehicles and distilled spirits within the area served by the District which is subject to taxation by the Board of Education.

Assessment of Property Subject to School Taxes⁽¹⁾

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>
2023-24	\$83,113,100,488	\$6,226,529,696	\$3,796,855,976
2022-23	78,479,612,653	6,086,224,037	3,485,307,658
2021-22	71,098,214,497	5,458,828,137	3,172,778,255
2020-21	66,800,455,676	5,118,571,261	2,892,140,795
2019-20	65,141,054,707	5,403,545,336	2,868,841,228
			Total
<u>Fiscal Year</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Assessed Value</u>
2023-24	\$7,586,718,275	\$323,203,025	\$97,249,551,484
2022-23	6,583,773,575	252,912,572	94,887,830,495
2021-22	5,789,431,042	256,182,196	85,775,434,127
2020-21	5,797,471,887	259,276,546	80,867,916,165
2019-20	5,720,667,808	283,410,346	79,417,519,425

Source: Jefferson County School District

(1) Represents amounts net of the Homestead Exemption. See "CERTAIN LIMITATIONS ON TAXATION AND OTHER TAX MATTERS" for more detail. See "Amount of Homestead Exemption" within this section for amount of the District homestead exemption and for the current amount of the individual exemption.

History of Assessment Rates

The following presents the assessment rates for the last five fiscal years for property subject to taxation by the Board.

**Tax Rates
(cents per \$100 Assessed Valuation)**

General Purpose School Tax

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Real Estate	70.4¢	71.0¢	73.7¢	74.9¢	68.0¢
Tangible	70.4	71.0	73.7	74.9	68.0
Motor Vehicle	53.5	53.5	53.5	53.5	53.5
Public Service - Real	70.4	71.0	73.7	74.9	68.0
Public Service - Tangible	70.4	71.0	73.7	74.9	68.0
Distilled Spirits	70.4	71.0	73.7	74.9	68.0
Occupational License Fee	¾%	¾%	¾%	¾%	¾%

Building Fund Tax

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Real Estate	5.6¢	5.3¢	5.9¢	5.7¢	5.6¢
Tangible	5.6	5.3	5.9	5.7	5.6
Motor Vehicle	5.0	5.0	5.0	5.0	5.0
Public Service – Real	5.6	5.3	5.9	5.7	5.6
Public Service – Tangible	5.6	5.3	5.9	5.7	5.6
Distilled Spirits	5.6	5.3	5.9	5.7	5.6

Amount of Homestead Exemption

In fiscal year 2022-23 approximately \$21,983,600 of property was exempted from property taxes in the District, with approximately \$436,555,197 estimated for 2023-24. The local general property tax rate on non-exempt property has been adjusted to recover tax revenues equivalent to the revenues lost through application of the homestead exemption.

The Kentucky Department of Revenue has set the maximum homestead exemption on real estate owned by qualified individuals at \$46,350 for the 2022 and 2023 tax periods. By statute, the amount of the homestead exemption is recalculated every two years to adjust for inflation. The 2023-2024 exemption reflects a \$5,850 increase over the 2021–2022 exemption of \$40,500. To qualify for the homestead exemption, a person must be at least 65 years old during the tax period or have been classified as totally disabled by any public or private retirement system. The property must also be owned, occupied and maintained by the taxpayer as a personal residence on the January 1 assessment date. The amount of the homestead exemption is deducted from the assessed value of the property subject to taxation.

School Tax Collections

The following represents Property Taxes levied and collected in the District for the last five years.

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
2023	\$679,298,315	\$645,609,875	95.0%
2022	643,990,091	611,504,542	95.0%
2021	571,206,069	544,761,795	95.4%
2020	543,290,378	515,985,211	95.0%
2019	516,657,825	492,751,403	95.4%

Source: Jefferson County Sheriff's Office, Audits and Jefferson County Board of Education.

Largest Taxpayers

The following represents the largest taxpayers for the District's fiscal year 2022-23.
Please update table.

<u>Company</u>	<u>School Tax Paid</u>
Louisville Gas & Electric	\$17,466,220
W.W. Grainer Inc.#009	3,273,219
Bellsouth Telecommunications	2,576,179
BT Property LLC	2,372,432
Humana Inc.	2,233,575
PC Rolling Hills Louisville Inc.	2,079,019
Spectrum Mid-America LLC	1,816,651
United Parcel Service Co.	1,783,058
Walmart Real Estate Business Tr	1,445,783
Total	<u>\$35,046,136</u>

Source: Jefferson County Sheriff's Office

APPENDIX B

**GENERAL INFORMATION FOR LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

LOUISVILLE/JEFFERSON COUNTY, KENTUCKY

The combined area of the former City of Louisville and Jefferson County (“Louisville Metro”) is located in the north-central portion of Kentucky on the south bank of the Ohio River. It is located in the geographic center of the Ohio River Valley region at a focal point where railroads, highways and the Ohio River converge, offering excellent accessibility to all major markets and is close to the population center of the United States. Louisville Metro, the largest city in the state, is a commercial, industrial, medical, educational, cultural and financial center for the greater metropolitan area. *Places Rated Almanac* has consistently ranked Louisville among the ten most livable American Cities. The 2022 census estimate of population for Jefferson County was 773,399 people. Louisville Metro covers a land area of approximately 385 square miles.

The total number of Jefferson County residents employed in 2022 was an estimated 394,322. According to the U.S. Census Bureau’s American Community Survey, employment in Louisville/Jefferson County was estimated as follows: manufacturing firms in the county reported 46,889 employees; transportation, warehousing and utilities provide 37,420 jobs; 92,929 people were employed in education services, healthcare and social assistance; financial, real estate, rental and leasing positions accounted for 31,353 employees; 42,439 accounted for jobs in retail trade; and 42,091 people were employed in professional, scientific, management, administrative and waste management services.

(Source: https://data.census.gov/table?q=DP03:%20Selected%20Economic%20Characteristics&g=050XX00US21111_160XX00US2148006)

Louisville Metro Major Employers

Company	Employment
United Parcel Service Inc.	26,328
Norton Healthcare Inc.	15,044
Jefferson County Public Schools	14,000
UofL Health Inc.	13,136
Ford Motor Co.	13,020
Humana Inc.	11,000
Baptist Healthcare System Inc.	8,657
Walmart, Inc.	8,550
GE Appliances	8,500
The Kroger Co.	7,000
Source: <i>Louisville Business First</i> (November 2023)	

**Louisville/Jefferson County Economic Statistics
2019-2023**

<u>Year</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2023	394,322	17,333	4.2%
2022	380,623	14,929	3.8
2021	374,258	17,820	4.5
2020	363,423	26,068	6.7
2019	383,947	15,419	3.9

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APPENDIX C

**OUTSTANDING BONDED INDEBTEDNESS OF THE DISTRICT
AND DEBT SERVICE REQUIREMENTS OF THE SERIES 2024A BONDS**

\$56,000,000
Jefferson County (Kentucky)
School District Finance Corporation
School Building Refunding Revenue Bonds, Series 2024A

Estimated Debt Service Requirements of the Series 2024A Bonds

Date	Principal	Interest	Total P+I	Net Fiscal Total
6/1/2024	\$455,000	\$443,333	\$898,333	\$898,333
12/1/2024	\$1,645,000	\$1,388,625	\$3,033,625	
6/1/2025	\$510,000	\$1,347,500	\$1,857,500	\$4,891,125
12/1/2025	\$1,460,000	\$1,334,750	\$2,794,750	
6/1/2026	\$505,000	\$1,298,250	\$1,803,250	\$4,598,000
12/1/2026	\$1,535,000	\$1,285,625	\$2,820,625	
6/1/2027	\$515,000	\$1,247,250	\$1,762,250	\$4,582,875
12/1/2027	\$1,280,000	\$1,234,375	\$2,514,375	
6/1/2028	\$4,160,000	\$1,202,375	\$5,362,375	\$7,876,750
12/1/2028	\$1,345,000	\$1,098,375	\$2,443,375	
6/1/2029	\$4,420,000	\$1,064,750	\$5,484,750	\$7,928,125
12/1/2029	\$1,465,000	\$954,250	\$2,419,250	
6/1/2030	\$4,660,000	\$917,625	\$5,577,625	\$7,996,875
12/1/2030	\$2,145,000	\$801,125	\$2,946,125	
6/1/2031	\$4,515,000	\$747,500	\$5,262,500	\$8,208,625
12/1/2031	\$2,290,000	\$634,625	\$2,924,625	
6/1/2032	\$4,740,000	\$577,375	\$5,317,375	\$8,242,000
12/1/2032	\$2,390,000	\$458,875	\$2,848,875	
6/1/2033	\$4,945,000	\$399,125	\$5,344,125	\$8,193,000
12/1/2033	\$5,825,000	\$275,500	\$6,100,500	
6/1/2034	\$5,195,000	\$129,875	\$5,324,875	\$11,425,375
Total	\$56,000,000	\$18,841,083	\$74,841,083	\$74,841,083

Jefferson County (Kentucky)
School District Finance Corporation
School Building Refunding Revenue Bonds
Series 2024A

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year Ended June 30	Existing Debt Service	Series 2024A					Net New Debt Service
		Principal	Interest	Total P+I	SFCC Portion	Local Portion	
2024	\$48,841,962	\$455,000	\$443,333	\$898,333	\$109,709	\$788,624	\$48,530,076
2025	\$48,843,541	\$2,155,000	\$2,736,125	\$4,891,125	\$679,312	\$4,211,813	\$48,537,429
2026	\$48,845,275	\$1,965,000	\$2,633,000	\$4,598,000	\$680,409	\$3,917,591	\$48,540,138
2027	\$48,845,017	\$2,050,000	\$2,532,875	\$4,582,875	\$678,111	\$3,904,764	\$48,536,686
2028	\$48,844,873	\$5,440,000	\$2,436,750	\$7,876,750	\$682,899	\$7,193,851	\$48,538,311
2029	\$48,343,887	\$5,765,000	\$2,163,125	\$7,928,125	\$679,934	\$7,248,191	\$48,035,112
2030	\$48,863,002	\$6,125,000	\$1,871,875	\$7,996,875	\$681,519	\$7,315,356	\$48,558,390
2031	\$48,862,581	\$6,660,000	\$1,548,625	\$8,208,625	\$678,950	\$7,529,675	\$48,557,318
2032	\$48,863,764	\$7,030,000	\$1,212,000	\$8,242,000	\$677,643	\$7,564,357	\$48,558,464
2033	\$40,372,016	\$7,335,000	\$858,000	\$8,193,000	\$680,310	\$7,512,690	\$40,064,116
2034	\$40,371,737	\$11,020,000	\$405,375	\$11,425,375	\$683,637	\$10,741,738	\$40,063,062
2035	\$32,311,415						\$32,311,415
2036	\$32,311,457						\$32,311,457
2037	\$30,992,039						\$30,992,039
2038	\$19,650,185						\$19,650,185
2039	\$12,924,910						\$12,924,910
2040	\$4,515,086						\$4,515,086
2041	\$1,975,611						\$1,975,611
2042	\$331						\$331
2043	\$2,932						\$2,932
Total	\$654,581,621	\$56,000,000	\$18,841,083	\$74,841,083	\$6,912,433	\$67,928,651	\$651,203,067

Jefferson County (Kentucky) School District Finance Corporation
Bond Indebtedness Outstanding of the District Estimated as of April 1, 2024

<u>DATED</u>	<u>NUMBER</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>BONDS (1) RETIRED 4/1/2024</u>	<u>BONDS (2) DEFEASED 4/1/2024</u>	<u>NET BONDS OUTSTANDING 4/1/2024</u>
11/1/2010	2010C (3)	\$27,483,000	\$0	\$21,382,671	\$6,100,329
6/7/2011	2011 (3)	\$30,352,000	\$0	\$30,322,643	\$29,357
3/15/2012	2012A	\$13,850,000	\$7,435,000	\$0	\$6,415,000
10/18/2012	2012C	\$18,730,000	\$16,810,000	\$0	\$1,920,000
10/18/2012	2012D	\$27,235,000	\$6,625,000	\$0	\$20,610,000
1/30/2013	2013A	\$22,860,000	\$15,645,000	\$0	\$7,215,000
1/30/2013	2013B	\$35,550,000	\$22,025,000	\$0	\$13,525,000
12/5/2013	2013C (4)	\$33,005,000	\$9,660,000	\$0	\$23,345,000
5/22/2014	2014A (4)	\$42,890,000	\$4,685,000	\$0	\$38,205,000
4/2/2015	2015A	\$16,465,000	\$5,565,000	\$0	\$10,900,000
4/2/2015	2015B	\$36,285,000	\$14,730,000	\$0	\$21,555,000
12/30/2015	2015C	\$15,160,000	\$3,405,000	\$0	\$11,755,000
7/6/2016	2016A	\$39,855,000	\$9,835,000	\$510,000	\$29,510,000
9/7/2016	2016B	\$7,120,000	\$4,030,000	\$0	\$3,090,000
6/22/2017	2017A	\$31,270,000	\$6,840,000	\$0	\$24,430,000
10/18/2018	2018A	\$29,625,000	\$3,960,000	\$0	\$25,665,000
6/19/2019	2019A	\$54,860,000	\$6,650,000	\$0	\$48,210,000
6/10/2020	2020A	\$57,795,000	\$2,775,000	\$0	\$55,020,000
2/3/2021	2021A	\$36,350,000	\$3,015,000	\$0	\$33,335,000
10/5/2021	2021B	\$86,445,000	\$3,160,000	\$0	\$83,285,000
7/28/2022	2022A	\$74,475,000	\$23,200,000	\$0	\$51,275,000
6/1/2023	2023A	\$57,925,000	\$0	\$0	\$57,925,000
TOTAL		\$795,585,000	\$170,050,000	\$52,215,314	\$573,319,686
LESS PAYABLE FROM OTHER SOURCES (COMMISSION)		\$114,284,057	\$37,272,028	\$0	\$77,012,029
NET PRINCIPAL PAYABLE BY BOARD FOR LEASE PAYMENTS		\$681,300,943	\$132,777,972	\$52,215,314	\$496,307,657

Source: Jefferson County School District, Kentucky School Facilities Construction Commission, and the Fiscal Agency Group

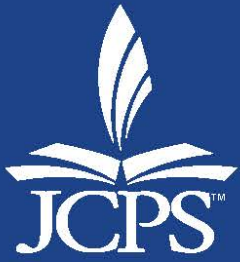
- Notes
- (1) Includes Payments due 4/1/24
 - (2) Represents Bonds that have been economically defeased through the establishment of an escrow of U.S. Treasury securities the receipts of which are sufficient to retire the principal, premium, if any, and the interest on the debt service requirements listed above until their respective maturity dates. Such Bonds have generally not been legally defeased under the terms of the bond documents.
 - (3) Defeased bonds are annual deposits made into sinking fund guaranteed investment contract.
 - (4) The Bonds being refunded by the Series 2024A Bonds

APPENDIX D

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2022

Dean Dorton Allen Ford, PLLC, independent public accountants and auditor to the Board and the Issuer, has not been engaged to perform, and has not performed, since the date of the Comprehensive Annual Financial Report included herein, any procedures on the financial statements addressed in that report. Dean Dorton Allen Ford, PLLC, also has not performed any procedures relating to this Official Statement.

FOR THE YEAR ENDED JUNE 30, 2023



BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**





JEFFERSON COUNTY PUBLIC SCHOOLS
 Board of Education of Jefferson County, Kentucky
 For the Fiscal Year Ended June 30, 2023

Table of Contents

Introductory Section

Letter of Transmittal	iv
Letter from Diane Porter, Chairwoman, Board of Education of Jefferson County, Kentucky	xiv
Board of Education	xv
Government Finance Officers Association Award for Excellence	xvi
Organizational Chart	xvii

Financial Section

Report of Independent Auditors	1
Management’s Discussion and Analysis	4

Financial Statements:

District-wide Financial Statements

Statement of Net Position	15
Statement of Activities	17

Fund Financial Statements

Governmental Funds

Balance Sheet	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	21

Proprietary Funds

Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26

Continued



Table of Contents – Continued

Jefferson County Public Education Foundation, a Major Component Unit of the Board of Education of Jefferson County, Kentucky

Statement of Net Assets 28

Statement of Revenues, Expenses, and Changes in Net Assets 28

Notes to Financial Statements – Integral to the Basic Financial Statements 29

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual General Fund 67

Schedule of Revenues and Expenditures – Budget and Actual Special Revenue Fund 68

Schedule of the District’s Proportionate Share of the Net Pension Liability – County Employees Retirement System 70

Schedule of the District’s Proportionate Share of the Net Pension Liability – Kentucky Teachers Retirement System 71

Schedule of the District’s Proportionate Share of the Net OPEB Liability – County Employees Retirement System 72

Schedule of the District’s Proportionate Share of the Net OPEB Liability – Kentucky Teachers Retirement System – Medical Insurance 73

Schedule of the District’s Proportionate Share of the Net OPEB Liability – Kentucky Teachers Retirement System – Life Insurance 74

Schedule of District Contributions – Pension: County Employees Retirement System 75

Schedule of District Contributions – Pension: Kentucky Teachers Retirement System 76

Schedule of District Contributions – OPEB: County Employees Retirement System 77

Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Medical Insurance 78

Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Life Insurance 79

Notes to Required Supplemental Information 80

Other Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual Construction Fund 84

Schedule of Revenues and Expenditures – Budget and Actual School Food Services Fund 84

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor SEEK Capital Outlay Fund 85

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Building Tax Fund 85

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Debt Service Fund 86

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Day Care Operations Fund 86

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Adult Education Fund 87

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Tuition Preschool Fund 87



Table of Contents – Continued

Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Enterprise Programs ..	88
Combining Balance Sheet – Nonmajor Governmental Funds	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	90
Combining Statement of Net Position – Nonmajor Proprietary Funds	91
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	93

Statistical Section

Statement of Net Position—Total Primary Government	95
Statement of Activities—Governmental Activities	97
Statement of Activities—Business-Type Activities	101
Statement of Activities—Total Primary Government	103
Balance Sheets—Governmental Funds	107
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	109
General Government Expenses by Function	113
General Government Revenues by Type	114
Property Tax Rates	115
Real Estate and Personal Property Tax Revenues	116
Property Tax Assessments	117
Property Taxes, as Assessed	118
Principal Real Estate Taxpayers	119
Overlapping Tax Rates	120
Principal Employers by Number of Employees	123
Occupational Tax Revenues	124
Total Bonded Debt by Responsible Party	125
Detail of Bonds by Responsible Party	126
Overlapping/Direct Debt and Bond Analysis Ratios	127
Ratios of Debt Outstanding	128
Jefferson County Demographics	129
Economic Statistics	130
Number of Employees by Functional Duties	131
Enrollment by Level	132
School Building Capacity Data	133
Miscellaneous Statistics	145

INTRODUCTORY SECTION

- 
- **LETTER OF TRANSMITTAL**
 - **CURRENT INITIATIVES**
 - **EVIDENCE OF SUCCESS**
 - **BOARD MEMBERS**
 - **ORGANIZATIONAL CHART**

Letter of Transmittal

November 14, 2023

The Board of Education of Jefferson County, Kentucky

Jefferson County Public School District Louisville, Kentucky

We hereby submit the Annual Comprehensive Financial Report (“ACFR”) for Jefferson County Public Schools (the “District” or “JCPS”), a K-12 public school system, for the year ended June 30, 2023. The completeness, accuracy, and clarity of these financial statements and data herein are the responsibility of the District’s Chief Financial Officer.

This ACFR is presented in three distinct sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a list of our Board Members and an organizational chart. The reader may use this information to understand the District and our financial condition. Accordingly, we will discuss the Jefferson County economy and tax base, a brief history of the District and education in Kentucky, and our major accomplishments.

The Financial Section contains the general purpose financial statements. Annual audits are required legally by Kentucky Revised Statute 156.265. These statements were audited by Dean Dorton Allen Ford, PLLC, an independent Certified Public Accounting firm. Their opinion is included on page 1 of the financial section. We would like to direct the reader to Management’s Discussion and Analysis on pages 4 – 14 of the financial section. This provides an introduction to the financial statements and some financial highlights.

The Statistical Section presents numerous unaudited tables designed to present more detail and trends apparent within the District and Jefferson County.

The report has been prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board and recommended by the Government Finance Officers Association. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activity have been included.



Personalized and engaging learning experiences

Economic Outlook

As discussed further on page 13 of the Management’s Discussion and Analysis in the Financial Section, Jefferson County has a diverse and strong economy but is affected by national social, health and economic trends. The District receives its revenue largely from two sources related to the economy: locally-assessed real estate and property taxes, and locally-assessed occupational taxes. Additionally, the District receives state revenues derived from state income taxes, sales taxes and other taxes, but these state revenues are subject to many non-economic factors, such as political considerations and an allocation formula based on local revenue, student attendance, and transportation expenses. Beyond these sources, we also receive grant and general revenues from federal, state, and local governments, and private sources that are either unqualified gifts or grants based on non-tax determinants.



Real estate and personal property, other than automobile, taxes are assessed by the Property Valuation Administrator (“PVA”) annually, and the value is set as of January 1. After taxpayers are afforded a period to dispute the assessment, bills are prepared by the Jefferson County Sheriff and sent to the taxpayers on November 1. Real estate taxes, the largest in this total, typically show an increase in both assessments and tax rate. With growth in parts of Jefferson County and typical housing appreciation, local real estate taxes are becoming a greater percentage of our revenues each year as their growth outpaces other revenues. Motor vehicle taxes are assessed as of January 1 of each year. The PVA office uses standardized guides, provided by the Department of Revenue, to determine the value of a vehicle or boat. For years, the District has levied the statutory maximum motor vehicle tax rate, and increases are derived from assessment increases alone. See the Statistical Section for more details and trend analyses on these taxes.

Locally assessed occupational taxes are levied upon Jefferson County residents who work within Jefferson County at a rate of .75% of salary. This tax tends to be an accurate barometer of the local workforce, and, in some ways, the strength of the local economy. In reviewing past years’ revenues, the reader may notice the correlation between occupational tax revenues and the greater United States economy.

State revenues are based on a variety of state taxes and are allocated to the District based on a variety of factors. First, the Commonwealth of Kentucky is inherently a political entity, and the budget is allocated accordingly. Education continues to be a priority of the current government leaders, though funding levels lag behind many adjacent states. Funds are allocated to the various Kentucky school districts by a statutory formula introduced in the Kentucky Educational Reform Act, which is discussed later in this section.

Jefferson County has a long history as a central transportation hub, which fostered a manufacturing center for durable goods, including appliances, cars and trucks. In recent decades, the economy has diversified and is the home of several *Fortune* 500 companies, including Humana, Inc. and Yum! Brands, which includes KFC, Taco Bell, and Pizza Hut. Additionally, headquartered in Louisville is Brown-Forman, makers of numerous beverages such as Jack Daniels Tennessee Whiskey. Louisville is also home to Churchill Downs, United Parcel Service’s (“UPS”) Worldport Facility, employing over 20,000, two Ford plants, and GE Appliance Park.

Total Population	
2018	770,517
2019	776,757
2020	782,969
2021	783,746
2022	778,194

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

Although long-range challenges exist, the District’s current finances are strong as well. We aspire to achieve great things in public education. To do this, we must set high goals and be strict stewards of the public funds we have. We believe in budgeting conservatively, which allows us to make continual improvements even during sluggish economies.

In order to achieve far-reaching goals, we must maintain far-reaching funding plans. At any time, we forecast instructional needs and financial trends five years into the future. Additionally, we survey the facility needs of our entire district over the next four years. Each project is prioritized by a committee, and only the top priority projects are funded.

As described further in Notes F and H to the financial statements, the District is challenged by pervasively underfunded or underperforming pension plans in which our employees participate in as well as the related other post-employment benefits. Although the District has made all required contributions at actuarially determined rates, failure to do so by the Kentucky legislature and subpar investing performance has created a financial contingency to both the District and the state. This creates a significant level of financial uncertainty that may necessitate drastic corrections in future budget periods.

The current initiatives discussed on pages x and xi of this Introductory Section are major undertakings that may require dedication over many years. As a practice, we pair our recurrent revenue budget with our recurrent expense budget to eliminate liquidity concerns. In addition, all planning is done in concert with our research team to ensure that funds are allocated to programs that get results.



Prepared, empowered, and inspired!

We also place great emphasis on internal controls. School districts have inherent weaknesses in financial structure, with funds being collected at numerous locations and where optimal segregation of duties is not always practical. However, because the cost of internal control should not exceed the anticipated benefits, the objective of these controls is to provide reasonable, rather than

absolute, assurance that District assets are protected and that our financial statements are free of material misstatement.

To offset our inherent risks, the District is committed to strengthening its controls at the central office level, where 99% of revenues are received, and reviewing satellite offices and schools regularly. Central office uses positive pay for its disbursements and staff review bank information daily. Audits are performed using an enterprise-wide risk assessment. We maintain an anonymous fraud hotline to safeguard our assets. Currently, we are tightening segregation of duties and internal controls at satellite offices.

Our Ethics Guidelines further solidify the District's commitment to always act in the highest ethical manner to preserve the public trust. These guidelines reflect our commitment to creating the Future State of the District and our core values especially relating to respect, diversity, and stewardship.

History of Public Education in Jefferson County

On April 24, 1829, the City of Louisville established the first public schools for children under sixteen years of age and constructed the first school the following year. Although Louisville's charter specified that education would be free, a tuition of \$1 for primary grades and \$1.50 for other grades was assessed. By 1838, the City of Louisville had a full-service school system. Also in 1838, the remaining areas of Jefferson County outside of the City of Louisville incorporated the Common Schools of Jefferson County school district.

In 1870, Louisville Public Schools established its first two schools for African American students, bringing its enrollment up to 13,502. By this time, the Common Schools of Jefferson County operated 68 schools, including 10 for African Americans. Both districts continued to grow consistently over the decades.

In 1956, all public schools in Louisville and Jefferson County were desegregated at a time when the Louisville Public Schools were 26% African American and the Jefferson County Schools were 4% African American. By court order on April 1, 1975, the Louisville Public

Schools and the Jefferson County Public Schools merged into the present Jefferson County Public Schools district in order to address the racial disparity.

At that time, it was determined that all schools in the new district must maintain racial diversity with the minority population between 15% and 50%. In June 2007, the United States Supreme Court held that some aspects of our student assignment plan did not satisfy the Court’s “narrow tailoring” requirement. In May 2008, the District unanimously approved a revised student assignment plan which became effective for the 2009-2010 school year. The new plan uses socio-economic factors including educational attainment, household income, and race averages of a student’s geographic region as factors when assigning students to schools other than their home school.

The Kentucky Education Reform Act (“KERA”) of 1990 formed the basis for massive change to the state’s educational system. One of the most comprehensive, statewide restructuring efforts ever attempted in the United States, KERA changed the formula by which Kentucky school districts receive state funding in an effort to achieve equity and educational adequacy regardless of each district’s local economic base. KERA created a Site-Based Decision-Making Council system. Each school would have such a council consisting of parents, teachers, and administrators of the school, who would oversee the financial and instructional decisions of the school and hire the Principal. KERA also established a state-wide accountability system that continues to evolve to meet student needs.

Through the resulting emphasis on data-driven educational accountability, Kentucky has gained a reputation as a cutting edge educational system focusing on accountability. The District, as well, has many years of assessment data. We continuously review our curriculum and initiatives to ensure Jefferson County children are being educated to the height of their ability.



Instruction that inspires!

Jefferson County Public School District Today

The current District is very different than our beginnings. We continue to strive for excellence in our educational and financial operations. As much as the world has changed, so too has the District.

Financially, we adjust conservatively to confront economic challenges, and still have sufficient fund balances to continue our plans for the future. We have a policy of reviewing vacancies, especially central office vacancies, to continuously strive for efficiency. We have reviewed many of our purchasing and distribution systems and made efficiency improvements including moving many of our revenue collections to online card payment systems. Our aim is to efficiently and completely support those who provide services to our students.

There were several years due to remote learning with COVID where official verified student enrollment numbers were not published. However, school was back to in-person learning as of March 2021. For fiscal year 2022-2023 we had 96,533 students:

High	28,988
Middle	20,749
Elementary	34,596
Kindergarten	7,001
Preschool	3,080
Special Schools	2,119

For the 2022-2023 school year, we have 165 schools and learning centers:

High	18
Middle	21
Elementary	88
Multi-Level	3
Pre-K Centers	4
Special	18
State Agency	13



All schools are resourced and equipped to support student needs

We project that our enrollment is stable, with our 2023-2024 forecast of approximately 94,000 students.

Our schools were founded based on the neighborhood schools concept. The majority of our schools are off the major thoroughfares back in neighborhoods, where traffic disruptions are minimized, and as many children can walk to school as possible. As Jefferson County has grown to its current size and complexity, the District has found the need to increase its educational and environmental offerings. While students have the opportunity to attend a school within their regional cluster and a regular school program, they have many additional choices of schools and programs to best fit their needs and wants.

School Choice: A core philosophy within the District is that parents should be allowed to choose the program and the school their child attends. We feel this allows students and their parents the opportunity to meet certain educational needs based on the individual child. Our schools are also able to differentiate themselves if the Site-Based Decision Making Council and the elected Jefferson County Board of Education approves the change. The District embraces many different schools and programs to meet students’ diverse needs, interests, and learning styles.

Regular Program: Most schools offer a regular curriculum in a typical school setting. This program is the choice of the majority of our parents and gives the Site-Based Decision Making Council much educational latitude.

Magnet and Optional Programs: The District believes that not all students have the same interests or learn in the same way. We offer choices that let elementary, middle, and high school students select a specialized learning environment or a program that focuses on a particular subject.

Magnet Schools and Programs include traditional schools, Montessori schools, magnet programs, and magnet career academies. Traditional schools require uniforms, daily homework, and parent involvement. They teach at grade level in a structured classroom environment. The Montessori approach to learning is designed to encourage critical thinking, exploration, and self-directed education. Magnet programs offer specialized foci incorporated into the curriculum, such as performing arts, math & science, technology, early college, or International Baccalaureate. Magnet career academies offer high school students programs that focus on training for a specific career. There are more than a dozen magnet career academies, and most of them offer multiple career programs. Many of our magnet career academies have received national recognition in their program area. Fifteen of our high schools have Professional Career Theme Programs in such disciplines as Aerospace, Medicine, Engineering, Information Technology and the Environment.

Optional Program is a small, specialized program within a school, such as Creative Arts and Global Communications Optional Program.

Advance Program is for academically gifted students. It stimulates talented young people to stretch their abilities and requires schools to be creative in providing a range of educational opportunities that promote excellence for each child.



Adults model integrity, respect, creativity, and accountability

Alternative Schools:

Binet School: A center that provides successful learning experiences for those students with multiple disabilities who need a more structured and supportive environment.

Breckinridge Metro High: A high school whose students have been referred to the school by the office of student services, the department of juvenile justice and/or other state and county agencies because of code violations in the regular schools or are court ordered to attend.

Churchill Park School: This special school serves students with moderate to severe functional mental disabilities from ages five to twenty-one. While following state-mandated core content, the program focuses on functional life skills, community-based instruction, and occupational work experience that will allow students to access and be successful in their immediate environment.

Pathfinder School of Innovation: A comprehensive virtual school for grades six through twelve. Pathfinder has a goal of producing exemplary levels of achievement through research-based instruction and data-driven assessments as students work through an on-demand curriculum with live support, intensive progress monitoring, and social, emotional, and behavioral support. Students may pursue regular instruction, advanced placement, dual credit, and career and technical education, just as they would at an in-person school.

Minor Daniels Academy: Middle school and high school students with behavioral challenges may be assigned to Minor Daniels Academy. This school uses restorative pathways to create a supportive environment with the goal that students may return to their home schools.

The Phoenix School of Discovery: Established under the federal guidelines of No Child Left Behind, this school relies heavily on technology to prepare students in grades 6-12 to reach state proficiency levels.

Liberty High: A nontraditional, safety-net school that serves students who meet any of the following criteria:

- One year of high school with fewer than five credits
- One to four years in high school and have fewer than 14 credits
- Frequently absent from school
- Failed four or more classes
- At least 16 years old
- Prefer hands-on, collaborative learning
- Prefer a flexible daily/yearly schedule
- Desire a work-based educational component
- Have diverse learning preferences and whose talents are not being developed.

State Agency Schools: Thirteen unique residential and day treatment centers that work collaboratively with treatment partners to provide a therapeutic or rehabilitative school environment. Students are placed in the State Agency Children’s Program through court commitment, psychiatric hospitalization, or identified need for long term treatment of emotional or behavioral problems.

Georgia Chaffee Teenage Parent Program: A school designed to prevent school dropout due to teen pregnancy and parenting for middle and high school students. This award-winning program includes home-school coordinators and regular classroom instruction with a hospital-quality nursery.

Waller-Williams Environmental: A special school for students with severe and profound emotional and/or behavioral disabilities. Serving K-8th grade in a highly structured environment, this school utilizes a behavior management system where students earn tokens for good behavior and may use these tokens to purchase items in the school store.

Youth Performing Arts School (“YPAS”): One of only 100 schools of its kind in the nation. YPAS offers courses in dance, theater acting, musical theater, vocal music, piano, concert band, concert orchestra, visual arts, design and production. Students take their academic classes at an adjacent JCPS high school.

Adult Education: Total Adult Education enrollment in Adult Basic Education/General Education Development (“GED”) Program was 2,056 earning 152 GED Certificates.

- GED Preparation Classes
- Academic Life Skills ESL Classes
- Family Education Programs
- College & Career Navigation Support
- Workforce Education & Soft Skills Training
- Educational Enrichment Services



A safe and welcoming learning community

Current Initiatives

The District is moving boldly toward a Future State of JCPS that has been re-envisioned through the bold leadership of Dr. Pollio and a daring Board of Education. This Future State focuses on new facilities that support the best educational environments and athletic facilities throughout our District. Teachers in the Future State of JCPS will be exceptionally resourced and paid at levels that reflect their worth to our students, their education and the future of our community. The Future State meets the individualized student needs and gives students one-to-one technology access, individualized student supports, and access to optional programs throughout Jefferson County as well as the right to stay at the school nearest their home if they prefer this educational environment. The Future State of JCPS will accomplish broad goals by focusing on three main pillars: Positive Culture & Climate, the Backpack of Success Skills, and the JCPS Racial Educational Equity Plan.



Engaging learning activities for all students

Positive Climate and Culture: Empowered employees create confident students. The sense of trust that students need to excel in the classroom and in extracurricular activities must be honed with extraordinary care. In addition, students must have the individualized resources they require to be at their best. This includes mental health, suicide prevention, and bullying prevention. To provide these resources and let each student achieve their individual best, we have added mental health practitioners into every school. All staff must come together to work with a passion for the students we are serving and focus on our mission and vision. This is the only way we can be confident in our success and convey that confidence to the parents entrusting us with their children.

Backpack of Success Skills: The Backpack of Success Skills was the first initiative of its kind where students will show how they have become effective communicators, emerging innovators, prepared and resilient learners, globally and culturally competent citizens and productive collaborators. At the end of key transition points in their education (5th, 8th and 12th grades), students will have the opportunity to defend what they've learned thus far in their educational journey using the evidence in their virtual backpack. This endeavor is a critical component of the District's Vision 2020, which includes a targeted focus on improving student literacy and increasing high school graduation rates.

Engaging every student, every day, in meaningful learning is the goal. JCPS is excited to see the transformation occurring in our classrooms as more students are prepared, empowered and inspired to reach their fullest potential. This also allowed us to adjust to non-traditional instruction required by the pandemic since our academic focus was already online.

JCPS Racial Educational Equity Plan: The District's Commitment to Racial Educational Equity policy was established to increase access for students of color, strengthen opportunities, and create a more diverse instructional staff in JCPS. This transformative policy is the first step toward building the academic programs and services that meet the needs of a diverse student population and eliminate achievement gaps. To create this organization-wide transformation, we are in our fourth year of a district-wide professional development initiative. Additionally, our students have created Justice Now projects, transformative and significant equity projects that highlight and act upon racial, gender, and other equity matters. These projects culminated in Justice Fest, a televised event where the student groups promoted their projects to support the changes they champion.





Evidence of Success

The District is working hard on its vision of a Future State. Outstanding performance within the District has been validated by our continued progress while confronting a pandemic and its challenges.

Current Year Highlights/Initiatives

- 6,574 graduates from JCPS schools.
- 71.5 percent of the class of 2023 earning post-secondary readiness standards for higher education or a career.
- 29 National Merit Finalists, 28 National Merit Semi-Finalists and 16 National Merit Commended Scholars.
- 121 rising seniors participated in the coveted Governor's Scholars Program.
- 145 graduates joined the United States Armed Forces.
- Served nearly 10,000 students through summer learning opportunities in conjunction with Evolve 502 and other community partners.
- Gave 102 conditional contracts to graduates of the Teaching & Learning pathway; if they graduate from college with an education degree, they are guaranteed a job in JCPS.
- Johnsontown Road Elementary students recognized in the opinion section of the national publication New York Times.
- JCPS and Pleasure Ridge Park High School host the first-ever Women In Welding competition.
- Novelist, philanthropist and billionaire MacKenzie Scott donated \$20 million to the Jefferson County Public Education Foundation, which provides direct financial support for JCPS.
- Launched the JCPS Adapted Sports program, which offers multiple sport opportunities for students who have a physical disability that impacts mobility.
- Partnered with Care Solace to help find and coordinate mental health and substance abuse treatment for students, staff, and their families.
- Provided free, virtual tutoring available 24 hours per day for students in grades 3-12.
- Received a more than \$3 million federal Project Prevent grant to prevent school and community violence and address student trauma from exposure to violence. JCPS was one of only 11 districts nationwide to receive U.S. Department of Education Project Prevent funding this grant cycle.
- Installed Audio Enhancement systems in every JCPS classroom to help amplify teacher's and student's voices. The technology includes a security button that teachers can press to call for immediate help.
- Partnered with T-Mobile to ensure students have internet access anytime, anywhere.
- Administered 6,000 vaccinations to students or staff by JCPS nursing staff and at JCPS sponsored events.
- Conducted 405,000 school nurse visits with students and staff for sickness or chronic illnesses. 267,170 visits were for sickness or for chronic disease management.
- Sent more than 11,000 COVID tests home to families or staff who requested them.
- Administered more than 5,000 COVID tests for students and staff at school or work.
- Opened two brand new, state-of-the-art school buildings: Indian Trail Elementary and Wilkerson Elementary.
- 17 seniors were awarded \$12,000 scholarships through the Vogt Educational Leadership Scholarship established by Henry V. Heuser, Sr.
- \$70,000 in scholarships awarded to seven JCPS seniors through the JCPS Employee-Sponsored Student Scholarship Fund to go toward four-year tuition and college expenses.

Acknowledgements

We would like to thank all of the staff who assisted with closing the District's financial records and preparing this report. We would be remiss without specifically mentioning the twenty years of hard work as Chief Financial Officer by recently-retired Cordelia Hardin. As a stalwart of stewardship and responsibility, she touched many lives and established the best in financial operations for the District. She will be missed but her systems will benefit the District for years to come.

In addition, we want to thank those at all levels of the District who do their part to provide relevant, comprehensive, quality instruction in person or through remote learning. We are inspired by the diligence of our student-focused educators at all levels of JCPS who are working tirelessly toward the Future State of JCPS.

Respectfully submitted,



Marty Pollio, Ed. D.
Superintendent



Edward D. Muns
Chief Financial Officer / Treasurer





June 30, 2023

To the Citizens of Jefferson County, Kentucky:

We, the Jefferson County Board of Education (the "Board"), are proud to serve as the collective voice and representation for the students, parents, staff, community members and taxpayers of Jefferson County. We are committed to providing clear direction to build the Future State of Jefferson County Public Schools ("JCPS"), and we firmly believe in setting high standards and using data-driven accountability measures to reach our goals.

To support our students at the level they deserve and require, the Board has said in one voice that it plans to make intentional investments in the future of all of our children, including those who may have been traditionally marginalized. These investments must meet the critical elements needed for all JCPS students to fulfill their academic, creative and social potential. This vision of our Future State includes bold strides toward engaging 21st century facilities; targeted resources for our highest-need schools; additional instructional time and continued focus on racial equity initiatives.

This Future State will stand on three pillars:

The Backpack of Success Skills, our first pillar, allows all JCPS students to develop key skills so they can be successful in all areas of influence: school, life and career. Students fill their virtual backpacks with school work and projects throughout their school years and present a defense of their learning accomplishments at the end of fifth, eighth and twelfth grades. This emphasis in online learning has been essential as we adjusted to remote learning due to the pandemic and continue remote learning for those in quarantine.

Our second pillar is school culture and climate. For students to perform at their best, they must be educated in an environment that not only delivers high-yield learning, but also provides them with individualized behavioral, social and emotional supports. To realize this goal, we have added mental health practitioners to all of

our schools to address bullying, suicide prevention and the ongoing mental health challenges affecting our nation. We are aggressively managing the pandemic by providing nursing services in every school and testing throughout our community. In addition, we are ensuring that the curriculum stimulates student interest by investing in career and technical education through the Academies of Louisville programs, which offer hands-on learning opportunities and real-world student apprenticeships.

The third pillar is our Racial Equity Plan. The Board's Racial Equity Policy commits to supporting educational excellence regardless of ethnicity, race, color, national origin, age, religion, marital or parental status, political affiliations or beliefs, gender, self-identification, gender identity or gender expression. The Board recognizes that multicultural education is a continuous development that is necessary to transform the educational process for our students and ensure that our schools are entirely inclusive. The plan includes a significant professional development investment and additional academic supports and extracurricular programs.

Within our governance responsibilities, we are ensuring that all budgetary decisions are directly linked to the Future State of all JCPS students. There are great things in store for our students and the future of our remarkable community.

On behalf of the Jefferson County Board of Education, I am pleased to present this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

Sincerely,

A handwritten signature in black ink that reads "Diane Porter". The signature is fluid and cursive, with a large loop at the end.

Diane Porter
Chair
Jefferson County Board of Education

Members of the Board of Education as of June 30, 2023:



**Diane Porter,
Chair,
District 1**



**Chris Kolb,
District 2**



**James Craig,
District 3**



**Joe Marshall,
District 4**



**Sarah McIntosh,
District 7**



**Linda Duncan,
District 5**



**Corrie Shull,
District 6**



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For the Fiscal Year Ended

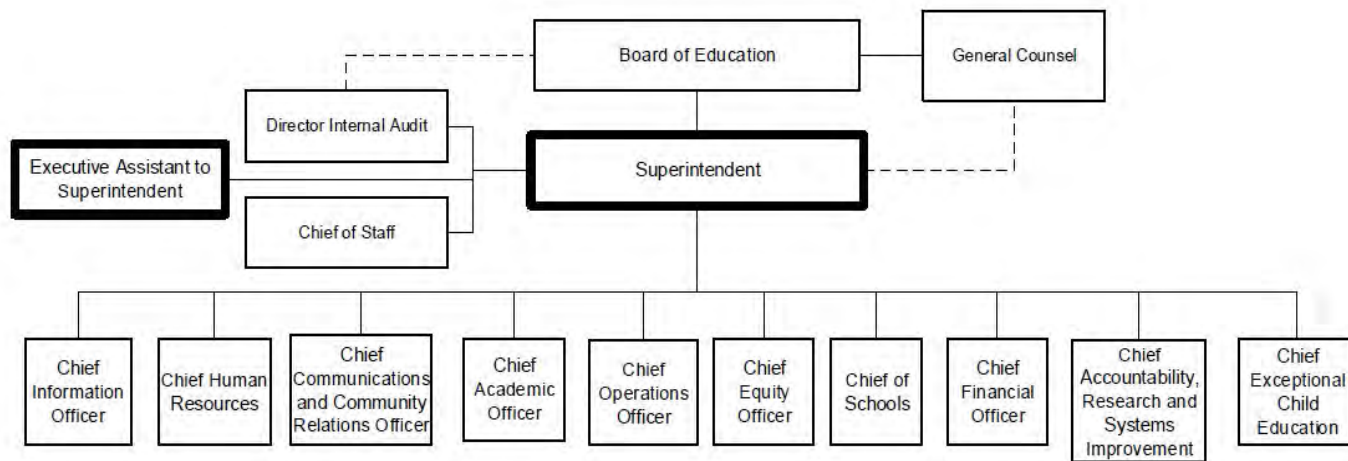
June 30, 2022

Christopher P. Merrill

Executive Director/CEO

This Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment of the District. The District has received this award each year from 2007 through the latest award period for the year ended June 30, 2022.

Organizational Chart



FINANCIAL SECTION

- 
- **REPORT OF INDEPENDENT AUDITORS**
 - **MANAGEMENT'S DISCUSSION AND ANALYSIS**
 - **FINANCIAL STATEMENTS**
 - **FOOTNOTES**



Report of Independent Auditors

Members of the Board
Board of Education of Jefferson County, Kentucky
Louisville, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Board of Education of Jefferson County, Kentucky (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, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

We did not audit the financial statements of the Jefferson County Public Education Foundation, which represent 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jefferson County Public Education Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 on pages 4 to 14, Budgetary Comparisons on pages 67 to 69, and Pension and OPEB Information on pages 70 to 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparisons on pages 84 to 88 and Combining Nonmajor Fund Information on pages 89 to 93 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

With regards to the Combining Nonmajor Fund Information on pages 89 to 93, 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 Nonmajor Fund Information on pages 89 to 93 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

With regards to the Budgetary Comparisons on pages 84 to 88, we have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
November 14, 2023

Management's Discussion and Analysis

For the Year Ended June 30, 2023



Introduction

Our discussion and analysis of the Board of Education of Jefferson County, Kentucky (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this Management's Discussion and Analysis ("MD&A") is to look at the District's financial performance as a whole. It should be read in conjunction with the District's financial statements.

Financial Highlights

Serving nearly 100,000 students, the District is the largest in Kentucky and the 30th largest in the United States. We maintain 165 schools and education centers: 88 elementary, 21 middle, 18 high, 3 multi-level, 4 pre-k centers, 18 special, and 13 state agency schools. The financial position of the District remains strong and stable with an operating budget of approximately \$2.5 billion.

The District maintains its focus on student achievement. Our students and teachers continue to win awards and reach new goals in numerous academic areas. The student-teacher ratio during the school year was 16 to 1. The student daily attendance rate was not calculated in the 2020-2021 school year due to the COVID-19 pandemic.

	2022-23	2021-22	2020-21	Current Year Change
College scholarships earned	\$154 million	\$116 million	\$159 million	32.8 %
Students taking AP tests	5,122	5,061	4,128	1.2 %
Number of tests taken	8,033	8,175	6,673	(1.7)%
AP scores earning college credit	55.9 %	52.3 %	49.5 %	6.9 %
Number of teachers	6,818	6,735	6,890	1.2 %
Teachers with Master's Degree or higher	83 %	83 %	82 %	0.0 %
National Board Certified Teachers	346	434	447	(20.3)%
Student daily attendance rate	89.7 %	89.4 %	N/A	0.3 %

On the District-wide financial statements, the total net position of the District was \$(6.6) million, assets totaled \$1.8 billion, deferred outflows totaled \$375.8 million, liabilities totaled \$1.9 billion, and deferred inflows totaled \$224.1 million. The District's total net position increased by \$109.0 million for the fiscal year ended June 30, 2023. The District's governmental funds financial statements reported combined ending fund balance of \$574.7 million. Of this total, \$326.9 million is unassigned in the general fund. Due to economic uncertainty, along with the needs of specific instructional priorities, it is necessary to maintain adequate fund balance to support these initiatives.

Management's Discussion and Analysis

For the Year Ended June 30, 2023



Overview of the Financial Statements

The annual report contains:

- Management's Discussion and Analysis ("MD&A")
- District-wide financial statements and fund financial statements
- Notes to Financial Statements
- Other required supplementary information, including various schedules for the District's proportionate share of the net pension and net other postemployment benefit liabilities
- Other supplementary information, including statements for non-major governmental and proprietary funds

This annual report consists of a series of financial statements. The District-wide statements, the Statement of Net Position and the Statement of Activities, provide an overview of the District's finances. The fund financial statements tell how these services were financed in the short term, as well as, what remains for future spending. The fund financial statements also report the District's operations in more detail than the District-wide financial statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the District-wide financial statements. One of the most important questions raised about the District's finances is whether the District as a whole is better off or worse off as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes to net position. The District's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure its financial health. Increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

To evaluate the District's overall health, one may want to review other non-financial factors, such as changes in the District's property tax base and the condition of the District's school buildings and other physical assets.

The District-wide financial statements are divided into two categories:

- **Governmental activities:** Most of the District's basic services are reported here, including instruction, student support services, instructional staff support services, administrative support services, school administrative support services, business support services, transportation, and plant operations and maintenance. Property taxes, occupational taxes, the Commonwealth's Support Education Excellence in Kentucky ("SEEK"), other Commonwealth support, and state and federal grants finance most of these activities.

Management's Discussion and Analysis

For the Year Ended June 30, 2023



- **Business-type activities:** School Food Services, Adult Education Lifelong Learning Courses, Tuition-based Preschool, fee-based Day Care, and Enterprise Programs are considered as business-type activities of the District. A fee is charged for these activities to assist the District in covering the cost of these services; therefore, they are classified as business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major activities provides detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and bond covenants. However, other funds are established as needed to help control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain taxes, grants, and other money (for example, grants received from the federal and state governments). The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: Most of the District's basic activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between the governmental activities (reported in the District-wide Statement of Net Position and Statement of Activities) and governmental funds in reconciliations following the fund financial statements.

Proprietary funds: When the District charges students or parents for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the District-wide Statement of Net Position and Statement of Activities. In fact, the District's proprietary funds are the same as the business-type activities we report in the District-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the Financial Statements

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

Management's Discussion and Analysis
For the Year Ended June 30, 2023



The District as a Whole

The following is a summary of the District's net position:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 744,532,629	\$ 604,545,941	\$ 11,384,611	\$ 6,109,951	\$ 755,917,240	\$ 610,655,892
Capital assets, net of depreciation, and construction in progress	1,019,430,688	935,692,079	15,735,059	16,520,839	1,035,165,747	952,212,918
Total Assets	1,763,963,317	1,540,238,020	27,119,670	22,630,790	1,791,082,987	1,562,868,810
Deferred Outflows	356,295,063	205,551,621	19,464,023	12,763,608	375,759,086	218,315,229
Short-term liabilities	215,227,934	192,706,660	1,007,683	1,281,499	216,235,617	193,988,159
Other liabilities	1,651,864,893	1,327,955,612	81,257,131	57,603,186	1,733,122,024	1,385,558,798
Total Liabilities	1,867,092,827	1,520,662,272	82,264,814	58,884,685	1,949,357,641	1,579,546,957
Deferred Inflows	214,894,349	301,082,422	9,209,875	16,131,092	224,104,224	317,213,514
Net Position						
Net investment in capital assets	430,126,787	453,726,798	15,735,059	16,520,839	445,861,846	470,247,637
Restricted	84,679,016	9,236,656			84,679,016	9,236,656
Unrestricted	(476,534,599)	(538,918,507)	(60,626,055)	(56,142,218)	(537,160,654)	(595,060,725)
Total Net Position	\$ 38,271,204	\$ (75,955,053)	\$ (44,890,996)	\$ (39,621,379)	\$ (6,619,792)	\$ (115,576,432)

Management's Discussion and Analysis
For the Year Ended June 30, 2023



The following is a summary of the District's changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for service	\$ 508,243	\$ 518,928	\$ 2,513,859	\$ 976,431	\$ 3,022,102	\$ 1,495,359
Operating grants & contributions	260,776,646	381,798,766	77,514,086	71,470,824	338,290,732	453,269,590
Capital grants & contributions	9,618,677	9,617,566			9,618,677	9,617,566
General revenues						
Local taxes	908,473,608	907,698,415			908,473,608	907,698,415
State sources	517,914,507	788,430,037			517,914,507	788,430,037
Other	57,344,058	28,095,236	235,809	10,437	57,579,867	28,105,673
Total Revenues	1,754,635,739	2,116,158,948	80,263,754	72,457,692	1,834,899,493	2,188,616,640
Expenses						
School operation & administration	1,618,744,396	1,812,788,637			1,618,744,396	1,812,788,637
School food services			84,104,750	58,259,707	84,104,750	58,259,707
Other business-type activities			193,685	150,581	193,685	150,581
Interest on debt service	22,900,022	20,268,424			22,900,022	20,268,424
Total Expenses	1,641,644,418	1,833,057,061	84,298,435	58,410,288	1,725,942,853	1,891,467,349
Transfers, Net	1,234,936	1,529,187	(1,234,936)	(1,529,187)		
Change in Net Position	114,226,257	284,631,074	(5,269,617)	12,518,217	108,956,640	297,149,291
Net Position, End of Year	\$ 38,271,204	\$ (75,955,053)	\$ (44,890,996)	\$ (39,621,379)	\$ (6,619,792)	\$ (115,576,432)

Governmental Activities

The revenues in the governmental activities decreased by \$361.5 million. Although there was a decrease in the current year governmental funds' activity, the prior two years' inflated revenue was due to federal stimulus grants meant to prevent staff layoffs and address learning loss during the shutdown period caused by the pandemic and the transition back to the classroom. In addition, property, occupational, and other taxes increased as our economy stabilized after the initial shutdown eased. Expenses in governmental activities decreased as a whole similar to revenues decreasing as the federal stimulus grants were more heavily spent in prior years.

Management's Discussion and Analysis

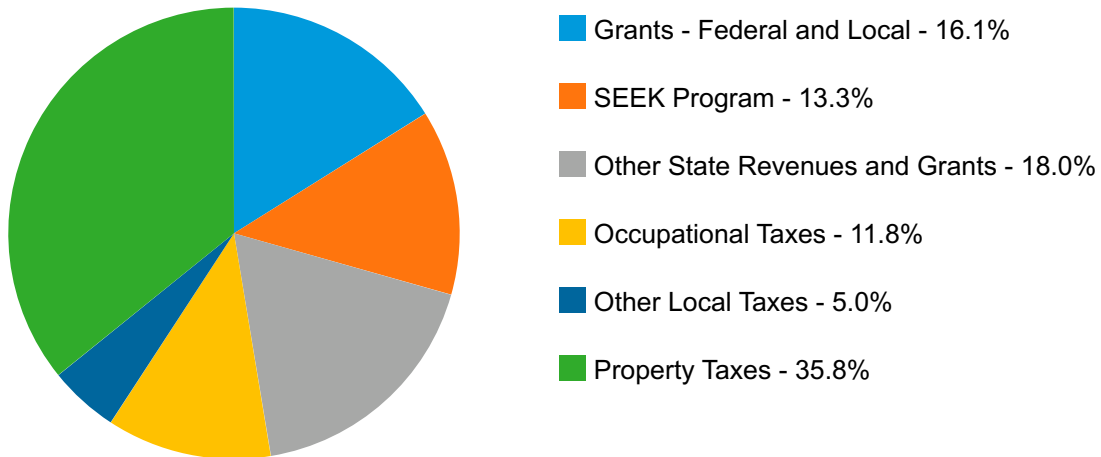
For the Year Ended June 30, 2023



The following schedule provides a comparison of the District-wide revenues for governmental activities for the current and previous years:

Revenues	2023	2022	Change	% Change
Local Sources:				
Property Taxes	\$ 627,463,151	\$ 594,308,658	\$ 33,154,493	5.6 %
Occupational Taxes	206,342,623	206,474,525	(131,902)	(0.1)%
Other Taxes	74,667,834	106,915,232	(32,247,398)	(30.2)%
State Sources:				
SEEK Program	233,759,766	233,088,270	671,496	0.3 %
Other State Revenues and Grants	284,154,741	555,341,767	(271,187,026)	(48.8)%
KSFCC allocation	9,618,677	9,617,566	1,111	0.0 %
Grants (federal and local)	260,776,646	381,798,766	(121,022,120)	(31.7)%
Interest	21,214,511	833,179	20,381,332	2446.2 %
Other Sources	36,637,790	27,780,985	8,856,805	31.9 %
Total Revenues	\$ 1,754,635,739	\$ 2,116,158,948	\$ (361,523,209)	(17.1)%

Revenue Sources



Management’s Discussion and Analysis

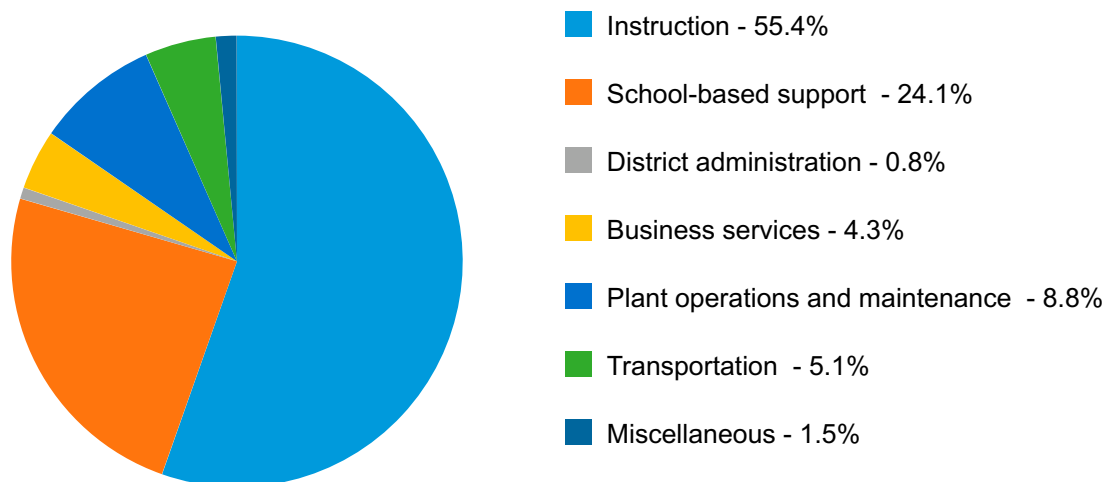
For the Year Ended June 30, 2023



The following schedule provides a comparison of the District-wide expenses for governmental activities:

	2023	2022	Change	% Change
Expenses				
Instruction	\$ 909,793,002	\$ 1,023,426,169	\$ (113,633,167)	(11.1)%
Student support services	101,936,000	107,196,262	(5,260,262)	(4.9)%
Instructional staff support services	161,846,403	193,879,118	(32,032,715)	(16.5)%
District administrative support services	11,536,924	11,805,819	(268,895)	(2.3)%
School administrative support services	120,055,049	136,540,514	(16,485,465)	(12.1)%
Business support services	71,290,737	67,673,427	3,617,310	5.3 %
Plant operations and maintenance	144,360,757	158,273,844	(13,913,087)	(8.8)%
Transportation	84,271,519	95,234,280	(10,962,761)	(11.5)%
Food service support	696,185	5,240,409	(4,544,224)	(86.7)%
Community services	12,115,637	12,995,156	(879,519)	(6.8)%
Other	842,183	523,639	318,544	60.8 %
Interest	22,900,022	20,268,424	2,631,598	13.0 %
Total Expenditures	\$ 1,641,644,418	\$ 1,833,057,061	\$ (191,412,643)	(10.4)%

Expense Categories



Management's Discussion and Analysis

For the Year Ended June 30, 2023



Business-type Activities

Net Position of the District's business-type activities decreased \$5.3 million. Most of this occurred due to accounting for pension and other postemployment benefits as discussed further in Notes F and H of this report. Business-type activities continued to increase after the previous few years' pandemic-related struggles; however, revenues did not keep up with costs resulting in a loss for the year. School Food Services net position decreased \$5.6 million due to the allocation percentage changes of postemployment benefits as well as the continued food and supply chain issues and increased food costs. The tuition preschool net position increased \$211.4 thousand due to a change in their allocation percentage of the same postemployment benefits.

Fund Budgetary Highlights and Future Budgetary Implications

The District's Draft Budget is presented to the members of the Board of Education by January 31 each year, followed by a Tentative (Original) Budget by May 30, and, once the members of the Board of Education approve tax rates in September, the Working (Final) Budget is submitted to the Kentucky Department of Education by September 30.

General Fund expenditures were \$277.8 million under budget. More than half of this amount was due to \$180.1 million budgeted but not spent in the contingency category. Other categories such as instruction, business support services, and plant operations and maintenance came in less than budget due to vacancies and positions being paid for out of COVID-Relief grants (ESSER), along with conservative budgeting. As a whole, our General Fund increased fund balance by \$82.9 million, much of which was due to staff vacancies and shifting expenses to be paid out of COVID-Relief grants (ESSER). As discussed further in the Local Economic Outlook section on page 14, the local economy has rebounded after the slowdown caused by the COVID-19 pandemic.

General Fund revenues are generally from a combination of local and state sources. While state sources stay flat or decrease each year, local revenues provide for income growth largely through property assessment increases and property tax increases which the elected Board of Education has traditionally supported. The District uses this local revenue growth to remain stable and adjust to student needs.

For the Special Revenue Fund, the fund balance decreased by \$14.7 million due to a large portion of the ESSER grant having been received in the 2022 school year with some funding still coming in during 2023. Some of the cost-reimbursement grant revenue will be received in the following year to reimburse the expenses from the current year.

Our Construction Fund experienced a \$57.6 million increase during the year, as we worked to complete bonded construction projects. The Building Tax Fund decreased \$6.0 million during the year as funds were used on priority renovation projects during the current fiscal year. On the whole, our Construction Fund and Building Tax Fund are well structured for future capital needs. We anticipate our revenue stream remaining stable for routine activities into the future.

Management's Discussion and Analysis

For the Year Ended June 30, 2023



In accordance with the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Reporting for Pensions* and Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District has recorded its proportionate share of certain financial factors of the pensions in which its employees participate. These factors include certain inflows and outflows of funds which will be amortized over future years and net pension and net other postemployment benefits liabilities. The very nature of the net pension and net other postemployment benefits liabilities indicates that these plans have not been fully funded, whether by employee contributions, employer contributions, or investment earnings. Although the District has always paid its entire contribution based on rates determined by each plan, much of the responsibility falls on the Commonwealth of Kentucky. The need to shore up these plans may become a factor in future employer matching rates or State funding.

Capital Assets and Debt Administration

Capital Assets

At the end of June 30, 2023, the District's investment in capital assets for its governmental and business-type activities was \$1,035.2 million, representing an increase of \$83.0 million (net of depreciation), as shown in the following tables:

	June 30, 2023	June 30, 2022	Percent Change
Governmental activities:			
Land	\$ 29,247,665	\$ 29,247,665	0.0 %
Land improvements	51,904,848	50,641,977	2.5 %
Buildings and improvements	1,524,126,999	1,514,134,271	0.7 %
Leased Buildings	430,899	538,624	(20.0)%
Technology	146,393,759	135,510,641	8.0 %
Leased Technology	695,545	755,375	(7.9)%
Subscription Assets	1,551,459		100.0 %
Buses and vehicles	114,938,613	112,379,166	2.3 %
Furniture, fixtures and other	98,096,364	80,309,694	22.1 %
Construction in progress	203,781,267	107,954,167	88.8 %
Total	2,171,167,418	2,031,471,580	6.9 %
Less: accumulated depreciation	1,151,736,730	1,095,779,501	5.1 %
Governmental activities assets, net of depreciation	<u>\$ 1,019,430,688</u>	<u>\$ 935,692,079</u>	8.9 %

During the 2022-2023 year, governmental activities capital assets increased due to a District focus on new and improved school facilities and a continued increase of technology in our District. Construction in progress increased significantly as we have continued construction of several new schools. Technology capital assets continued to increase as we continue our initiative toward 1:1 technology in our schools.

Management's Discussion and Analysis

For the Year Ended June 30, 2023



	June 30, 2023	June 30, 2022	Percent Change
Business-type activities:			
Land	\$ 1,000,000	\$ 1,000,000	0.0 %
Land improvements	4,745	4,745	0.0 %
Buildings and improvements	17,030,604	17,030,604	0.0 %
Technology	1,329,694	1,337,104	(0.6)%
Buses and vehicles	2,162,043	2,162,043	0.0 %
Furniture, fixtures and other	32,329,878	31,821,673	1.6 %
Total	53,856,964	53,356,169	0.9 %
Less: accumulated depreciation	38,121,905	36,835,328	3.5 %
Business-type assets, net of depreciation	\$ 15,735,059	\$ 16,520,841	(4.8)%
Total Capital Assets Governmental and Business-type activities	\$ 1,035,165,747	\$ 952,212,920	8.7 %

The Local Planning Committee ("LPC") develops a long-range facility plan through evaluation of every building, identification of appropriate renovations, and analysis of demographic census to determine future growth needs. The LPC is comprised of JCPS staff representing school staff, SBDM ("School-Based-Decision Making") councils, PTA ("Parent Teacher Association"), local building officials, and community members. The long-range facility plan details the unmet needs for the District for the next four years. The plan is submitted to the Local Board of Education, the Kentucky Department of Education, and the Kentucky Board of Education for approval. At June 30, 2023, the unmet needs for the District totaled an estimated cost of \$1.3 billion.

Funding for these needs is typically provided from the General Fund, Construction Fund or through Bond issues. Bond issues are paid with Building Tax Funds (local 5-cent property tax), SEEK Capital Outlay Funds at \$100 per student or the Kentucky State Facility Construction Commission ("KSFCC") funds. To ensure continued academic success for our students, we must provide a learning environment that is safe, functional, inviting and well-maintained.

Additional information on the District's capital assets can be found in Note D of this report. Information concerning bonds and long-term liabilities is in Note E of this report.

Local Economic Outlook

The Jefferson County economy has been strong over the past year, though the world economic instability with supply chain issues and staffing shortages pose similar challenges for JCPS as they do for other organizations. The District experienced continued growth and strength through maintaining a healthy revenue stream with occupational license tax revenue, which is based on net profits and salaries paid in our jurisdiction. Although this year experienced a small decrease, the prior two years had increases of 16.8% and 13.1% respectively, indicating that the local economy has steadily recovered from the COVID shutdowns and is actively growing. Jefferson County property valuation assessments are used to calculate property taxes, our largest revenue source. Since last school year, property taxes have increased 5.6% showing that the economy is bouncing back successfully since the start of the COVID-19 pandemic.

Jefferson County's central location, extensive transportation network and quality of life are factors in this resiliency and in attracting and maintaining a healthy business community.

Management's Discussion and Analysis

For the Year Ended June 30, 2023



Overall, with a diverse economy and excellent quality of life, Jefferson County has the stability necessary to minimize the impact of the current and potential future economic downturns.

Contacting the Jefferson County Board of Education Management

This financial report is designed to provide a general overview of the finances of the Jefferson County Board of Education and to show management's accountability for these funds. If you have questions about this report or need additional information, contact the Chief Financial Officer/Treasurer of the Jefferson County Board of Education, P. O. Box 34020, Louisville, Kentucky 40232-4020.

Statement of Net Position
Board of Education of Jefferson County, Kentucky
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 603,625,818	\$ 7,659,231	\$ 611,285,049
Investments	46,963,695		46,963,695
Accounts receivable	88,341,507	249,062	88,590,569
Inventories	5,486,277	3,591,650	9,077,927
Internal balances	115,332	(115,332)	
Land and other nondepreciable assets	233,028,932	1,000,000	234,028,932
Capital assets, net of depreciation	786,401,756	14,735,059	801,136,815
Total Assets	1,763,963,317	27,119,670	1,791,082,987
Deferred Outflows of Resources			
Difference between actual and expected experience	14,273,350	1,789,555	16,062,905
Changes in assumptions	91,224,004	3,001,107	94,225,111
Difference between projected and actual earnings on plan investments	36,590,853	2,378,940	38,969,793
Change in proportionate share	148,517,581	6,298,979	154,816,560
Pension and OPEB contributions after measurement date	65,527,135	5,995,442	71,522,577
Deferred savings from refunding bonds	162,140		162,140
Total Deferred Outflows	356,295,063	19,464,023	375,759,086
Liabilities			
Accrued liabilities	166,819,723	1,007,683	167,827,406
Accrued interest payable	3,643,243		3,643,243
Current maturities of:			
worker's compensation claims	1,044,896		1,044,896
accrued vacation pay	1,234,469		1,234,469
accrued sick leave	749,761		749,761
school building revenue bonds	40,548,093		40,548,093
leases	349,474		349,474
subscription obligations	838,275		838,275
Long-term maturities of:			
worker's compensation claims	22,742,841		22,742,841
accrued vacation pay	7,262,258		7,262,258
accrued sick leave	45,639,804		45,639,804
school building revenue bonds	595,380,283		595,380,283
leases	777,193		777,193
subscription obligations	650,638		650,638

Continued

Statement of Net Position – Continued
Board of Education of Jefferson County, Kentucky
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net pension liability	500,040,859	62,693,821	562,734,680
Net other post-employment benefits liabilities	479,371,017	18,563,310	497,934,327
Total Liabilities	1,867,092,827	82,264,814	1,949,357,641
Deferred Inflows of Resources			
Difference between actual and expected experience	179,877,311	5,092,408	184,969,719
Changes in assumptions	17,787,269	2,230,122	20,017,391
Change in proportionate share	17,229,769	1,887,345	19,117,114
Total Deferred Inflows	214,894,349	9,209,875	224,104,224
Net Position			
Net investment in capital assets	430,126,787	15,735,059	445,861,846
Restricted for capital projects and construction	84,679,016		84,679,016
Unrestricted (deficit)	(476,534,599)	(60,626,055)	(537,160,654)
Total Net Position	\$ 38,271,204	\$ (44,890,996)	\$ (6,619,792)

See Notes to Financial Statements

Statement of Activities
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Total District-wide Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 909,793,002	\$ 508,243	\$ 260,776,646		\$ (648,508,113)
Student support services	101,936,000				(101,936,000)
Instructional staff support services	161,846,403				(161,846,403)
District administrative support services	11,536,924				(11,536,924)
School administrative support services	120,055,049				(120,055,049)
Business support services	71,290,737				(71,290,737)
Plant operations and maintenance	144,360,757			\$ 9,618,677	(134,742,080)
Student transportation	84,271,519				(84,271,519)
Community services	12,115,637				(12,115,637)
Food service support	696,185				(696,185)
Other	842,183				(842,183)
Interest	22,900,022				(22,900,022)
Total governmental activities	1,641,644,418	508,243	260,776,646	9,618,677	(1,370,740,852)
Business-type activities					
School food services	84,104,750	2,175,391	77,297,324		(4,632,035)
Adult education	92,594	80,094	15,021		2,521
Enterprise programs	14,459		13,983		(476)
Tuition-based pre-school	32,055	243,453			211,398
Day care operations	54,577	14,921	187,758		148,102
Total business-type activities	84,298,435	2,513,859	77,514,086		(4,270,490)
Total Activities	\$ 1,725,942,853	\$ 3,022,102	\$ 338,290,732	\$ 9,618,677	\$ (1,375,011,342)

Continued

Statement of Activities – Continued
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Government Activities	Business-Type Activities	Total
Net revenue (expense)	\$ (1,370,740,852)	\$ (4,270,490)	\$ (1,375,011,342)
General revenues			
Taxes			
Property taxes	627,463,151		627,463,151
Occupational taxes	206,342,623		206,342,623
Other taxes	74,667,834		74,667,834
State sources			
SEEK program	233,759,766		233,759,766
Other state revenues and grants	284,154,741		284,154,741
Interest and investment earnings	21,214,511	235,809	21,450,320
Miscellaneous	36,129,547		36,129,547
Total general revenues	1,483,732,173	235,809	1,483,967,982
Transfers, net	1,234,936	(1,234,936)	
Change in net position	114,226,257	(5,269,617)	108,956,640
Net position, beginning of year	(75,955,053)	(39,621,379)	(115,576,432)
Net position, end of year	\$ 38,271,204	\$ (44,890,996)	\$ (6,619,792)

See Notes to Financial Statements

Balance Sheet – Governmental Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 480,291,729		\$ 116,703,706	\$ 6,630,383	\$ 603,625,818
Investments	46,462,561			501,134	46,963,695
Accounts and grants receivable	28,727,540	\$ 59,528,558		85,409	88,341,507
Inventories	5,097,598			388,679	5,486,277
Due from other funds	102,728,500	36,024,504	58,385,228	5,738,537	202,876,769
Total Assets	\$ 663,307,928	\$ 95,553,062	\$ 175,088,934	\$ 13,344,142	\$ 947,294,066
Liabilities					
Accrued liabilities	\$ 127,658,724	\$ 15,965,474	\$ 25,896,408	\$ 328,241	\$ 169,848,847
Due to other funds	110,023,092	77,298,452	15,439,894		202,761,438
Total Liabilities	237,681,816	93,263,926	41,336,302	328,241	372,610,285
Fund Balances					
Nonspendable	5,097,598			388,679	5,486,277
Restricted		2,289,136	133,752,632	12,627,222	148,668,990
Committed	36,000,000				36,000,000
Assigned	57,647,612				57,647,612
Unassigned	326,880,902				326,880,902
Total Fund Balances	425,626,112	2,289,136	133,752,632	13,015,901	574,683,781
Total Liabilities and Fund Balances	\$ 663,307,928	\$ 95,553,062	\$ 175,088,934	\$ 13,344,142	\$ 947,294,066

Continued

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

Total Governmental Fund Balances	\$ 574,683,781
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets are not financial resources and are not reported in the fund financial statements.	1,019,430,688
Bond issuance costs are amortized over the life of the bond on the district-wide financial statements.	(36,746,969)
Bonds are noncurrent liabilities and are excluded from the fund financial statements.	(599,181,407)
Savings from refunding bonds are not current and are not reported in the fund financial statements.	162,140
Leases are noncurrent liabilities that are excluded from the fund financial statements.	(1,126,667)
Subscription obligations are noncurrent liabilities that are excluded from the fund financial statements.	(1,488,913)
Long-term workers compensation liability is noncurrent and is excluded from the fund financial statements.	(22,742,842)
Long-term vacation pay liability is noncurrent and is excluded from the fund financial statements.	(7,262,258)
Long-term sick leave liability is noncurrent and is excluded from the fund financial statements.	(45,639,804)
Bond interest payable is a noncurrent liability and is excluded from the fund financial statements.	(3,643,243)
Net pension liability is noncurrent and is excluded from the fund financial statements.	(500,040,859)
Deferred outflows related to employee pension plans are excluded from the fund financial statements.	90,213,084
Deferred inflows related to pension plans are excluded from the fund financial statements.	(12,394,153)
Net other post-employment benefits liability is noncurrent and is excluded from the fund financial statements.	(479,371,017)
Deferred outflows related to other post-retirement employee benefits are excluded from the fund financial statements.	265,919,839
Deferred inflows related to other post-retirement employee benefits are excluded from the fund financial statements.	(202,500,196)
Net Position of Governmental Activities	<u>\$ 38,271,204</u>

See Notes to Financial Statements

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 580,019,236			\$ 47,443,915	\$ 627,463,151
Occupational taxes	206,342,623				206,342,623
Other taxes	74,667,834				74,667,834
Grants from local agencies and donors	7,651,942	\$ 5,713,446			13,365,388
State sources					
SEEK program	224,984,448			8,775,318	233,759,766
Other state revenues	414,714,711	41,416,350	\$ 6,811,000		462,942,061
KSFCC allocation				9,618,677	9,618,677
Grants from the United States government		245,424,496		1,986,762	247,411,258
Interest	20,147,815	312,463	754,233		21,214,511
Other sources	5,148,859	274,725		17,929,616	23,353,200
Total Revenues	1,533,677,468	293,141,480	7,565,233	85,754,288	1,920,138,469
Expenditures					
Instruction	772,115,458	175,997,845		18,862,554	966,975,857
Student support services	95,899,669	19,554,373			115,454,042
Instructional staff support services	133,725,146	49,584,819			183,309,965
District administrative support services	9,396,502	491,803			9,888,305
School administrative support services	130,472,811	5,503,562			135,976,373
Business support services	75,958,756	4,751,205			80,709,961
Plant operations and maintenance	148,854,140	13,401,076		55,982	162,311,198
Transportation	79,123,449	10,487,578			89,611,027
Food service operations	182,834	605,677			788,511
Community services	2,852,446	10,809,580			13,662,026
Other instructional support services		33,063			33,063
Building renovations	2,297,926	27,176	101,582,304		103,907,406
Other			920,807		920,807
Debt service					
Principal				60,146,721	60,146,721
Interest				22,900,022	22,900,022
Total Expenditures	1,450,879,137	291,247,756	102,503,111	101,965,279	1,946,595,284
Revenues in Excess of (Less Than) Expenditures	82,798,331	1,893,724	(94,937,878)	(16,210,991)	(26,456,815)

Continued

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Continued

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Issuance of school building revenue bonds			132,400,000		132,400,000
Premiums on bonds sold			13,284,592		13,284,592
Transfers to Proprietary Funds	(2,965,253)				(2,965,253)
Transfers from Proprietary Funds	4,200,189				4,200,189
Transfers in	18,503,595	1,880,977	31,432,019	73,261,677	125,078,268
Transfers out	(19,630,400)	(18,503,595)	(24,587,076)	(62,357,197)	(125,078,268)
Total Other Financing Sources (Uses)	108,131	(16,622,618)	152,529,535	10,904,480	146,919,528
Net Change in Fund Balances	82,906,462	(14,728,895)	57,591,657	(5,306,511)	120,462,713
Fund Balances, Beginning of Year	342,719,650	17,018,031	76,160,975	18,322,412	454,221,068
Fund Balances, End of Year	\$ 425,626,112	\$ 2,289,136	\$ 133,752,632	\$ 13,015,901	\$ 574,683,781

Continued

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the District-wide Statement of Activities

Net Change in Fund Balances - Total Governmental Funds	\$ 120,462,713
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Additions to capital assets capitalized on district-wide statement of net position.	161,873,320
Dispositions of capital assets are reflected on the district-wide statement of activities.	(12,997,002)
Capital asset use is expensed as depreciation on the district-wide statement of activities.	(65,137,709)
Bond principal payments are recorded as a reduction of a liability on the district-wide statement of net position.	60,146,721
Bonds issued are capitalized on the district-wide statement of net position.	(132,400,000)
Bond premiums and discounts must be amortized over the remaining life of the bonds.	(9,830,891)
Capitalized savings from bond refundings must be amortized over the remaining life of the bonds.	(67,474)
Bond interest payable is reflected on the full accrual basis on the district-wide statement of net position.	59,903
Additions to long-term leased assets are capitalized on the statement of net position.	190,139
Long-term subscription assets are capitalized on the statement of net position.	(1,488,913)
Long-term workers compensation liability increased on the district-wide financial statements.	(1,002,184)
Long-term vacation payable decreased on the district-wide financial statements.	(745,167)
Long-term sick leave payable decreased on the district-wide financial statements.	(3,921,846)
Pension expense represents the cost of providing long-term benefits on the district-wide statement of activities.	(100,574,687)
Changes in deferred outflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	38,503,021
Changes in deferred inflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	65,226,523
Changes in deferred outflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	112,307,895
Changes in deferred inflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	20,961,550
Expenses related to other post-retirement employee benefits represents long-term employment costs on the district-wide statement of activities.	(137,339,655)
Change in Net Position of Governmental Activities	\$ 114,226,257

See Notes to Financial Statements

Statement of Net Position – Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2023

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 7,339,539	\$ 319,692	\$ 7,659,231
Accounts receivable	238,802	10,260	249,062
Inventories	3,591,650		3,591,650
Due from other funds	8,248,260	1,626,563	9,874,823
Total Current Assets	19,418,251	1,956,515	21,374,766
Total Land and Capital Assets, net of accumulated depreciation	15,735,059		15,735,059
Total Assets	35,153,310	1,956,515	37,109,825
Deferred Outflows of Resources			
Differences between actual and expected experience	1,787,718	1,837	1,789,555
Changes in assumptions	2,996,698	4,409	3,001,107
Net differences between projected and actual earnings on plan investments	2,376,150	2,790	2,378,940
Change in proportionate share	6,290,573	8,406	6,298,979
Pension and OPEB contributions after measurement date	5,988,936	6,506	5,995,442
Total Deferred Outflows of Resources	19,440,075	23,948	19,464,023
Liabilities			
Current Liabilities			
Accrued liabilities	993,233	14,450	1,007,683
Due to other funds	9,973,069	17,086	9,990,155
Total Current Liabilities	10,966,302	31,536	10,997,838
Noncurrent Liabilities			
Unfunded pension liabilities	62,629,444	64,377	62,693,821
Unfunded post-employment benefits liabilities	18,537,715	25,595	18,563,310
Total Noncurrent Liabilities	81,167,159	89,972	81,257,131
Total Liabilities	92,133,461	121,508	92,254,969
Deferred Inflows of Resources			
Differences between actual and expected experience	5,084,433	7,975	5,092,408
Changes in assumptions	2,227,832	2,290	2,230,122
Change in proportionate share	1,885,364	1,981	1,887,345
Total Deferred Inflows of Resources	9,197,629	12,246	9,209,875
Net Position			
Net investment in capital assets	15,735,059		15,735,059
Unrestricted	(62,472,764)	1,846,709	(60,626,055)
Total Net Position	\$ (46,737,705)	\$ 1,846,709	\$ (44,890,996)

See Notes to Financial Statements

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Enterprise Funds		Total
	School Food Services	Total Nonmajor Enterprise Funds	
Operating Revenues			
Lunchroom sales	\$ 2,175,391		\$ 2,175,391
Tuition and fees		\$ 338,468	338,468
Total Operating Revenues	2,175,391	338,468	2,513,859
Operating Expenses			
Salaries and personnel services	23,423,961	61,118	23,485,079
Employee benefits	24,135,495	16,482	24,151,977
Purchased professional services	151,913	39,589	191,502
Purchased property and maintenance services	3,876,872	739	3,877,611
Other purchased services	127,170	5,301	132,471
Supplies and materials	30,784,800	49,850	30,834,650
Property	71,170	19,816	90,986
Miscellaneous	41,536	790	42,326
Depreciation	1,491,833		1,491,833
Total Operating Expenses	84,104,750	193,685	84,298,435
Income (Loss) From Operations	(81,929,359)	144,783	(81,784,576)
Non-Operating Revenues (Expenses)			
Federal grants	66,305,900		66,305,900
State grants	417,414		417,414
Other state revenue	5,640,159	202,960	5,843,119
Donated commodities	4,805,902		4,805,902
Interest income	223,978	11,831	235,809
Other revenues	127,949	13,802	141,751
Total Non-Operating Revenues	77,521,302	228,593	77,749,895
Transfers			
Transfers to other funds	(4,200,189)		(4,200,189)
Transfers from other funds	2,965,253		2,965,253
Total Transfers	(1,234,936)		(1,234,936)
Change in Net Position	(5,642,993)	373,376	(5,269,617)
Net Position, Beginning of Year	(41,094,712)	1,473,333	(39,621,379)
Net Position, End of Year	\$ (46,737,705)	\$ 1,846,709	\$ (44,890,996)

See Notes to Financial Statements

Statement of Cash Flows – Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Enterprise Funds		Totals
	School Food Services	Total Nonmajor Enterprise Funds	
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,175,391	\$ (28,157)	\$ 2,147,234
Cash paid to suppliers	(55,103,890)	(68,425)	(55,172,315)
Cash paid to employees	(21,201,151)	(88,871)	(21,290,022)
Cash paid for other expenses	(193,449)	(40,379)	(233,828)
Net Cash Provided by (Used In) Operating Activities	(74,323,099)	(225,832)	(74,548,931)
Cash Flows From Investing Activities			
Interest income	223,978	11,831	235,809
Net Cash Provided by (Used In) Investing Activities	223,978	11,831	235,809
Cash Flows From Capital and Related Financing Activities			
Additions to capital assets	(706,051)		(706,051)
Interest received	127,949		127,949
Net Cash Provided by (Used In) Capital and Related Financing Activities	(578,102)		(578,102)
Cash Flows from Noncapital Financing Activities			
Cash received for operational grants	78,412,737	216,762	78,629,499
Net Cash Provided by (Used In) Noncapital Financing Activities	78,412,737	216,762	78,629,499
Increase (Decrease) in Cash and Cash Equivalents	3,735,514	2,761	3,738,275
Cash and Cash Equivalents, Beginning of Year	3,604,025	316,931	3,920,956
Cash and Cash Equivalents, End of Year	\$ 7,339,539	\$ 319,692	\$ 7,659,231

Continued

Statement of Cash Flows – Proprietary Funds – Continued
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	<u>Enterprise Funds</u>		<u>Totals</u>
	<u>School Food Services</u>	<u>Total Nonmajor Enterprise Funds</u>	
Reconciliation of Income (Loss) from Operations to Net Cash			
Provided by (Used In) Operating Activities			
Income (loss) from operations	\$ (81,929,359)	\$ 144,783	\$ (81,784,576)
Adjustments to reconcile income (loss) from operations to cash provided by (used in) operating activities:			
Depreciation	1,491,833		1,491,833
Donated commodities	4,805,902		4,805,902
Transfers	(1,234,936)		(1,234,936)
Change in accounts receivable		1,523	1,523
Change in amounts due from other funds	16,314,721	(368,147)	15,946,574
Change in inventories	598,241		598,241
Change in deferred outflows	(6,695,244)	(5,171)	(6,700,415)
Change in amounts due to other funds	(24,129,382)	(2,605)	(24,131,987)
Change in accrued liabilities	(283,703)	9,885	(273,818)
Change in deferred inflows	(6,909,691)	(11,526)	(6,921,217)
Change in unfunded post-employment benefits liabilities	4,674,692	5,045	4,679,737
Change in unfunded pension liability	18,973,827	381	18,974,208
Net Cash Provided by (Used in) Operating Activities	\$ (74,323,099)	\$ (225,832)	\$ (74,548,931)
Summary of Noncash Financing Activity			
Donated commodities from the US Dept of Agriculture	\$ 4,805,902		
District facilities support – rent forgiven on cafeterias	\$ 2,965,253		
Depreciation	\$ 1,491,833		
Adjustments in Cash Flows from Noncapital Financing Activity			
Accounts receivable related to grant revenues	\$ 6,049,264		

See Notes to Financial Statements

Statement of Net Assets

Jefferson County Public Education Foundation, a Major Component Unit of the Board
of Education of Jefferson County, Kentucky

June 30, 2023

	<u>Total</u>
Assets	
Cash and cash equivalents	\$ 9,001,834
Investments	<u>12,583,152</u>
Total Assets	\$ <u>21,584,986</u>
Net Assets	
Without donor restrictions	\$ 28,719
Without donor restrictions, board designated	19,402,428
With donor restrictions	<u>2,153,839</u>
Total Net Assets	\$ <u>21,584,986</u>

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues			
Contributions	\$ 20,016,553	\$ 257,338	\$ 20,273,891
Fundraising, net of event expenses of \$16,919 in fiscal year 2023		32,697	32,697
Net investment income	547,151	197,196	744,347
Net assets released from restriction	292,836	(292,836)	
Total Operating Revenues	<u>20,856,540</u>	<u>194,395</u>	<u>21,050,935</u>
Operating Expenses			
Program services	1,442,770		1,442,770
Management and general	16,806		16,806
Total Operating Expenses	<u>1,459,576</u>		<u>1,459,576</u>
Change in Net Assets	19,396,964	194,395	19,591,359
Net Assets, Beginning of Year	34,183	1,959,444	1,993,627
Net Assets, End of Year	\$ <u>19,431,147</u>	\$ <u>2,153,839</u>	\$ <u>21,584,986</u>

See Notes to Financial Statements



Note A—Summary of Significant Accounting Policies

Reporting Entity—The Board of Education of Jefferson County, Kentucky (the “District”) is established under and governed by the Kentucky School Laws and maintains a system of schools primarily for kindergarten through twelfth grade, but also includes preschool, vocational and adult education. The District is a school district of the Commonwealth of Kentucky having boundaries coterminous with the boundaries of Jefferson County, excluding the City of Anchorage.

The accompanying financial statements include all funds and activities of the District, including the Jefferson County School Board Finance Corporation (the “Corporation”), a non-stock, not-for-profit Corporation. The Corporation is a blended component unit and was created to act as an agency in the acquisition and financing of any capital project which may be undertaken by the District. Accounts of the Corporation are included in the financial statements as a capital projects fund.

The District is not includable as a component unit within another reporting entity. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

Accounting Standards—The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the U.S. (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

District-wide and Fund Financial Statements—The District-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements report information on all the activities of the District. The doubling-up effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to students or parents who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District allocates certain indirect costs to be included in the program expense reported for individual functions and activities in the District-wide Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the District-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.



Note A—Summary of Significant Accounting Policies—Continued

Measurement Focus and Basis of Accounting—The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is a separate accounting entity with a self-balancing set of accounts. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible during the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pensions, other post employment benefits, compensated absences and workers' compensation claims, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, interest revenue and charges for services. Occupational tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Funds are classified into three categories: governmental, proprietary and fiduciary. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund, which accounts for all of the activities of the general government not required to be accounted for in another fund. Local taxes account for 56.6% of the General Fund revenues, while the Support Education Excellence in Kentucky ("SEEK") program accounts for 14.7% of General Fund revenues. SEEK is a program that began in 1990 as the result of the Kentucky Education Reform Act ("KERA"), and is the basic State funding spent by the District. Other State Revenues are 27.0% of General Fund revenues and are principally health insurance for all employees and teachers' pension match paid by the State on the District's behalf, as discussed further on page 34 in Note A.

The Special Revenue Fund is a special revenue fund which accounts for the activities of specific education related programs in accordance with restrictions established by the various grantors (primarily the United States Government and state and local governments). This includes certain KERA grants which carry grantor restrictions related to expenditures.

The Construction Fund accounts for funds from three sources. First, funds generated by sales of bond issues are used for various construction projects at educational facilities. Second, proceeds from the sale of properties and equipment owned by the District are to be used at the discretion of the District for future construction projects. Last, any funds remaining in the Capital Outlay and Building Tax Funds at the end of the year are escrowed to pay for categorical priorities listed in the Long-Range Facility Plan, discussed on page 13 in the MD&A.



Note A—Summary of Significant Accounting Policies—Continued

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports as a major proprietary fund the School and Community Nutrition Services (“School Food Services”) Program which provides certain food preparation at the Nutrition Center and serves breakfast and lunch at schools throughout Jefferson County.

Component Unit—The Jefferson County Public Education Foundation (“JCPEF”) is a 501(c)(3) public charity whose predominate mission is to support Jefferson County Public Schools, its students, and its staff. It maintains separate accounting records with full financial authority and a completely independent Board. As the only component unit, it qualifies as major and is reported as a separate financial statement of major component units. JCPEF maintains its financial records using the modified cash basis. These records have been audited separately and a copy of their financial statements can be obtained at Jefferson County Public Education Foundation, VanHoose Education Center, 3332 Newburg Road, Louisville, KY, 40218.

JCPEF reports net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of JCPEF and changes are reported as follows:

Without donor restriction – Portion of expendable funds available for support in the JCPEF operation.
With donor restrictions – Net assets subject to donor-imposed stipulations. These net assets include those that may or will be met either by actions of JCPEF and/or the passage of time and also include \$1,491,825 permanent endowment funds.

JCPEF maintains cash in a bank account insured by the Federal Depositors Insurance Corporation (“FDIC”). When balances exceeded FDIC limits, excess amounts exposed to credit risk were secured by United States Treasury repurchase agreements. Investments remain subject to custodial credit risk, interest rate risk, and concentration of credit risk as outlined in Note B. All investments have been measured and reported at fair value according to the hierarchy explained in Note B:

Investments by Fair Value Level	Fair Value Measurements Using:			
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets – Level 1	Significant Other Observable Inputs – Level 2	Significant Other Unobservable Inputs – Level 3
Corporate Bonds	\$ 1,593,571		\$ 1,593,571	
Treasury Notes	6,698,444	\$ 6,698,444		
Mutual funds – fixed income	81,917	81,917		
Equities	3,231,214	3,231,214		
Mutual funds – equity	179,403	179,403		
Exchange Traded Funds	798,603	798,603		
Total	\$ 12,583,152	\$ 10,989,581	\$ 1,593,571	



Note A—Summary of Significant Accounting Policies—Continued

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

Inventories—Inventories are valued at the lower of cost, using the first in, first out method, or market. Generally, the only inventory items marked to market are diesel, gasoline, and items determined to be obsolete with no current market value. The Food Service Fund’s inventories consist of food and supplies valued at cost and U. S. Government commodities whose value is determined by the U.S.D.A.

In the governmental funds balance sheet, reported inventories in the general fund are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of total assets.

Capital Assets—Capital assets include land, buildings, vehicles, leased assets, subscription-based information technology assets, office equipment, school equipment, and food service equipment, and are reported in the applicable governmental or business-type activities column in the District-wide Statement of Net Position and in the Statement of Net Position – Proprietary Funds. The District maintains a record of its capital assets, and those with a cost of \$1,000 or more are capitalized. All computers, regardless of cost, are capitalized. Additions to capital assets are recorded at cost and depreciated using the straight-line method. Capital assets are depreciated over estimated useful lives as determined by the Kentucky Department of Education, as follows:

	<u>Estimated life (years)</u>
Land improvements	20
Buildings	50
Building improvements	25
Carpet/tile	7
Technology equipment	5
School buses	10
Other vehicles	5
Rolling stock	15
Food service equipment	12
Furniture and fixtures	20
Audio-visual equipment	15
Other general equipment	10
Musical instruments	10

The same asset classifications may be leased over a period exceeding 12 months instead of purchased, which would qualify as leases or subscription assets. These assets are amortized over the remaining term of the lease/subscription agreement, rather than in accordance with the depreciable life table.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note A—Summary of Significant Accounting Policies—Continued

Fund Balance—Fund balance is separated into five categories, as follows:

Category	Definition	District Purpose
Nonspendable	Permanently nonspendable by decree of the donor, such as an endowment, or items which may not be used for another purpose, such as amounts used to prepay future expenses or already-purchased	Prepaid expenses and inventory on hand
Restricted	Legally restricted under federal or state law, bond authority, or grantor contract	Grant funds, bond proceeds, and funds governed by specific state laws
Committed	Commitments passed by the elected Board through a Resolution and can not be used for any other purpose unless modified or rescinded by Board	Required reserves to meet payroll and accounts payable cash flow requirements
Assigned	Spendable fund balance amounts authorized by management priority including issued encumbrances	Encumbered purchase orders (budgeted, approved money allocated/assigned to a purchase but not yet spent) and other specific purposes that are neither considered restricted or committed
Unassigned	Funds available for future operations	Funds available for future operations

Category	District Purpose	General Fund	Special Revenue	Construction Fund	Nonmajor Funds	Purpose Total
Nonspendable	Prepaid expenses and inventory on hand	\$ 5,097,598			\$ 388,679	\$ 5,486,277
Restricted	Grant or donor-directed funds		\$ 2,289,136		5,558,835	7,847,971
	Unspent bond proceeds and unallocated project residuals			\$ 133,752,632		133,752,632
	Funds governed by specific state laws				7,068,387	7,068,387
Committed	Cash flows protection	36,000,000				36,000,000
Assigned	Encumbered purchase orders (budgeted, approved money allocated/assigned to a purchase but not yet spent)	57,647,612				57,647,612
Unassigned	Funds available for future operations	326,880,902				326,880,902



Note A—Summary of Significant Accounting Policies—Continued

Unassigned fund balance is generally only reported in the General Fund. However, if expenditures for a governmental fund other than the General Fund exceeded amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is the District’s practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, District, or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, 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 re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the General Fund balance sheet. Board policy 04.31 grants this authority to the Superintendent or the Superintendent’s designee. The Superintendent has granted fund balance assignment authority to the Director of Purchasing.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of certain funds. To maintain balances above this level, they recommend reserving at least 5%. The elected Jefferson County Board of Education committed funds to ensure fund balance remains above these levels. While these funds have been properly committed and not budgeted for future years’ expenditures, there is no mandate on how the committed funds would be used if the District fell below the 2% floor.

Property Tax Revenues—Property taxes are levied each November on the assessed value listed as of the prior January 1 for all real and personal property in Jefferson County. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 30 days after the tax bill mailing.

On-Behalf Payments—The Commonwealth of Kentucky pays certain expenses on behalf of the District. In the financial statements, these payments are recorded as an expense and other state revenue. These expenses include the following:

	<u>2022-23</u>
Health insurance	\$ 116,335,073
KTRS employer match	304,330,885
HRA, dental, vision, and life insurance	4,182,024
State administration fee	1,320,742
Reimbursement from federal programs	(8,447,782)
State facility construction support	9,618,677
Technology systems	807,590
	<u>\$ 428,147,209</u>



Note A—Summary of Significant Accounting Policies—Continued

Budgetary Principles—The Superintendent must submit the proposed budget for all funds other than school-based activity funds to members of the Board each year. The Board Members will then discuss and, where so desired, amend the proposed budget and will adopt a final budget by September 30 of each fiscal year. Any adjustments to the adopted budget must be approved by the Board.

Budget information is presented for the General Fund and other funds with a legally-adopted budget. This budgetary data is prepared on the modified accrual basis of accounting, in accordance with generally accepted accounting principles. Budgetary revenues represent original estimates modified for any adjustments authorized by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for budget transfers and additional appropriations approved during the fiscal year. Although budgets are prepared on a line-item basis by cost center for each department, expenditures may legally exceed budget in these areas but may not exceed the budget in total. District Activity Funds and Student Activity Funds do not have legally-adopted budgets and budgetary information is not presented for these funds.

Interfund Receivables and Payables—Each fund is a separate fiscal and accounting entity, and thus interfund transactions are recorded in each fund affected by a transaction. Interfund receivables and payables for the District arise generally from two types of transactions: 1) all funds are initially received into the General Fund, thus a payable and receivable are established in the appropriate funds; and 2) payments are from the General Fund checking account, which may not have the legal liability for the expenditure, thus a payable from the fund having the legal liability is established at such time. Typically, interfund receivables and liabilities are resolved monthly, and all of these balances should be resolved within a year. All interfund receivables and payables have been eliminated on the District-wide Statement of Net Position.

	Due from other Funds Reported in General Fund	Due to other Funds Reported in General Fund
Special Revenue Fund	\$ 77,298,452	\$ 36,024,504
Construction Fund	15,439,894	58,385,228
Nonmajor Governmental Funds		5,738,537
Food Service Fund	9,973,069	8,248,260
Nonmajor Enterprise Funds	17,086	1,626,563
	<u>\$ 102,728,500</u>	<u>\$ 110,023,092</u>



Note A—Summary of Significant Accounting Policies—Continued

Transfers to Other Funds—Although each fund is its own distinct reporting entity, periodically, funds have cause to make transfers to other funds. The most common reasons necessitating interfund transfers are for debt service payments and grant matching funds. Debt service payments may be paid from the Capital Outlay Fund, Building Tax Fund, or Construction Fund, but the expenditures are recorded in the Debt Service Fund with transfers recorded to keep the funds in balance. At times, the District receives grants which require an amount of matching funds. Usually, the General Fund supplies this match offset by transfers to the Special Revenue Fund. The following is a schedule of the District’s transfers during the year:

	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>	
General Fund	\$ 22,703,784	\$ 22,595,653	Food Service facilities rent forgiven, grant matching, and construction funding
Special Revenue Fund	1,880,977	18,503,595	Grant matching funds and accounting changes
Construction Fund	31,432,019	24,587,076	Debt service payments and escrowed funds used for current construction
Nonmajor Governmental Funds	73,261,677	62,357,197	Debt service payments and escrowed funds used for current construction
Food Services Fund	2,965,253	4,200,189	Facilities rent forgiven by General Fund
	<u>\$ 132,243,710</u>	<u>\$ 132,243,710</u>	

Pensions—For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from these pensions’ fiduciary net position have been determined on the same basis as they are reported by those pensions. The pensions’ financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (“OPEB”)—For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the respective plans. The plans’ financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. For this purpose, the plans recognize benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.



Note B—Cash, Cash Equivalents and Investments

The District's deposits are maintained in five designated financial institutions. Deposits at all these financial institutions are entirely insured by the FDIC or by collateral held by the financial institutions in the District's name, as is required by the District's investment policy, though custodial credit risk is not specifically mentioned in this policy. During the year, the District invests excess cash into short-term United States Government obligations or bank certificates of deposit collateralized by U.S. Government securities. These investments are either insured or securities are held by the pledging financial institution's trust department in the District's name.

In compliance with Kentucky Statutes, the District's investment policy 04.6 specifies that the District's investment objectives, in order of priority, are the following:

- a. Legality
- b. Safety of principal
- c. Liquidity to enable the District to meet all operating requirements
- d. Return on Investment

The complete investment policy 04.6 is available at <http://policy.ksba.org/Chapter.aspx?distid=56>. Investments consist of certificates of deposit and U.S. Government agency securities. The certificates of deposit are held by various schools' activity funds in the Nonmajor Governmental Funds at several financial institutions located in Jefferson County, Kentucky, and have various rates of interest and maturity dates greater than ninety days. Such investments are stated at fair value as of June 30. These investments are covered by depositor insurance or by collateral held by the financial institutions in the District's name. The U.S. Government Securities also have maturities greater than ninety days and their value has been adjusted to fair value. As of June 30, 2023, the District had the following investments:

Fund Type	Investment Type	Fair Value	Moody's Rating	Weighted Average Maturity in Years
Governmental	Federal Agencies	\$ 46,462,561	Aaa	2.58
	Certificates of Deposit	501,134		1.23
		<u>\$ 46,963,695</u>		



Note B—Cash, Cash Equivalents and Investments—Continued

Credit Risk—Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the District has limited the number of permissible investments under its investment policy to certain highly rated investments. In accordance with this policy, the District is authorized to invest in the following:

- a. Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
- b. Certificates of deposit issued by banks or savings and loan institutions
- c. Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities
- d. Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America
- e. Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

Custodial Credit Risk—Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the District are insured or collateralized with securities held in the District's name. The securities held as collateral are maintained either by the Federal Reserve or in the trust area of major national banks.

Interest Rate Risk—Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by purchasing a combination of cash holdings, shorter-term, and longer-term investments. Some of the District's investments in federal agency securities are callable instruments and particularly carry this form of risk. The District has no formal policies relating to interest rate risk.

Concentration of Credit Risk—The District's investment policy places no limit on the amount the District may invest with any one issuer; however, all holdings must be collateralized with securities held in the District's name. As of June 30, 2023, the District had \$1,750,000 of deposits insured by the FDIC. Amounts on deposit in excess of FDIC insurance required to be collateralized were collateralized by securities held in the District's name and none were uninsured and uncollateralized.

Fair Value Measurement—The District's investments are measured and reported at fair value are classified according to the following hierarchy:

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note B—Cash, Cash Equivalents and Investments—Continued

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. Debt securities classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

Investments by Fair Value Level	June 30, 2023	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets – Level 1	Significant Other Observable Inputs – Level 2	Significant Other Unobservable Inputs – Level 3
Certificates of Deposit	\$ 501,134		\$ 501,134	
U.S. Agency Obligations	46,462,561	\$ 46,462,561		
Total Debt Securities	\$ 46,963,695	\$ 46,462,561	\$ 501,134	

Note C—Receivables

The District recognizes revenues as receivable when they are measurable and receipt is certain. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. While the District receives revenues from many different outside sources throughout the year, the accounts and grants receivable from outside sources may be grouped into the following categories:

Accounts and grants receivable from outside sources	Governmental Funds	Proprietary Funds	Total
Accounts receivable	\$ 2,131,944	\$ 249,062	\$ 2,381,006
Taxes receivable	26,681,005		26,681,005
Grants receivable	59,528,558		59,528,558
	\$ 88,341,507	\$ 249,062	\$ 88,590,569

Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

The following is the District’s property tax calendar:

Date	Event
January 1, year of levy	Assessment date
October 1, year of levy	Taxes levied
November 30, year of levy	2% discount allowed
December 31, year of levy	1% discount allowed
January 31, following year	Gross amount due
February 1, following year	Delinquent date, 1½ % interest added per month
April 1, following year	10% penalty added

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note C—Receivables—Continued

Unpaid property taxes attach as an enforceable lien on real property as of the delinquent date. The Jefferson County Clerk’s Office collects personal property tax on vehicles when registered. The Jefferson County Sheriff’s Office bills and collects all property taxes on real estate and other personal property on behalf of the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

Although the District has taxes receivable from a variety of constituents, a substantial portion of the debtors’ ability to honor this debt is dependent upon the widely diverse economic environment of the Commonwealth of Kentucky and the local area.

Note D—Capital Assets

Activity in capital assets during the year ended June 30, 2023 consisted of the following:

	Balance June 30, 2022	Additions	Dispositions	Balance June 30, 2023
Governmental Activities				
Land	\$ 29,247,665			\$ 29,247,665
Construction in progress	107,954,167	\$ 107,554,773	\$ 11,727,673	203,781,267
	137,201,832	107,554,773	11,727,673	233,028,932
Land improvements	50,641,977	1,299,474	36,603	51,904,848
Buildings & building improvements	1,514,134,271	11,164,603	1,171,875	1,524,126,999
Leased buildings	538,624		107,725	430,899
Technology equipment	135,510,641	16,677,230	5,794,112	146,393,759
Leased technology equipment	755,375	147,731	207,561	695,545
Subscription assets		1,551,459		1,551,459
Vehicles	112,379,166	3,707,142	1,147,695	114,938,613
General equipment	80,309,694	19,770,908	1,984,238	98,096,364
	1,894,269,748	54,318,547	10,449,809	1,938,138,486
Less Accumulated Depreciation/Amortization				
Land improvements	33,105,542	1,677,244	36,503	34,746,283
Buildings & building improvements	834,858,998	38,315,607	1,058,007	872,116,598
Leased buildings		107,725		107,725
Technology equipment	91,549,893	13,597,494	5,357,695	99,789,692
Leased technology equipment	418,558	252,728		671,286
Subscription assets		775,729		775,729
Vehicles	89,594,784	5,465,378	1,147,695	93,912,467
General equipment	46,251,726	4,945,804	1,580,580	49,616,950
	1,095,779,501	65,137,709	9,180,480	1,151,736,730
	\$ 935,692,079	\$ 96,735,611	\$ 12,997,002	\$ 1,019,430,688

Included in this table is current construction in progress. Items are not depreciated until placed into service. Accordingly, these items have no accumulated depreciation. Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note D—Capital Assets—Continued

	Balance June 30, 2022	Additions	Dispositions	Balance June 30, 2023
Business-type Activities				
Land	\$ 1,000,000			\$ 1,000,000
Land improvements	4,745			4,745
Buildings & building improvements	17,030,604			17,030,604
Technology equipment	1,337,104		\$ 7,410	1,329,694
Vehicles	2,162,043			2,162,043
General equipment	31,821,673	\$ 721,773	213,568	32,329,878
	<u>53,356,169</u>	<u>721,773</u>	<u>220,978</u>	<u>53,856,964</u>
Less Accumulated Depreciation				
Land improvements	1,995	238		2,233
Buildings & building improvements	7,837,485	340,782		8,178,267
Technology equipment	1,231,411	46,584	7,410	1,270,585
Vehicles	2,071,339	40,309		2,111,648
General equipment	25,693,098	1,063,920	197,846	26,559,172
	<u>36,835,328</u>	<u>1,491,833</u>	<u>205,256</u>	<u>38,121,905</u>
	<u>\$ 16,520,841</u>	<u>\$ (770,060)</u>	<u>\$ 15,722</u>	<u>\$ 15,735,059</u>

Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances. The District implemented Government Accounting Standards Board ("GASB") Statement no. 96, *Subscription-Based Information Technology Arrangements, "SBITAs"*, during the fiscal year, in accordance with the statement requirements. No adjustments to beginning net position were necessary as a result of this implementation. Under GASB 87, leased buildings include office and classroom space at a local university with a five year term. Leased technology equipment includes copiers for use in the District print shop (six year term) and various schools (five year terms). Each leased asset is amortized over the term of the lease and each subscription assets is amortized over the term of the subscription-based information technology agreement.

Depreciation expense for business-type activities was entirely incurred in the operation of the District's school food services program. Depreciation and amortization for governmental activities is included in the following functional categories:

Instruction	\$ 56,039,286
Student support services	345
District administrative support services	2,806,430
Business support services	31,017
Plant operations and maintenance	1,054,399
Transportation	5,152,949
Community services	53,283
	<u>\$ 65,137,709</u>

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note D—Capital Assets—Continued

Net Investment in Capital Assets—On the District-wide Statement of Net Position, capital assets from Note D and Long-term Debt represent material portions of the District’s net position. This calculation is as follows:

	Governmental	Business-type
Capital assets, net of related depreciation	\$ 1,019,430,688	\$ 15,735,059
Less: lease liability	(1,126,667)	
Less: subscription agreement liability	(1,488,913)	
School building revenue bonds	(599,181,407)	
Net premiums/discounts on bonds	(36,746,969)	
Deferred savings from refunding bonds	162,140	
Bond proceeds not yet spent on capital projects	49,077,915	
	<u>\$ 430,126,787</u>	<u>\$ 15,735,059</u>

Note E—Long-Term Liabilities

School Building Revenue Bonds

	Original	Outstanding
2008 Series B QZAB, non-interest bearing and full bond liability paid at maturity in December 2022	\$ 5,200,000	
2010 Series C QSCB, interest rate of 5.125%, principal and interest payable semiannually on May 1 and November 1, with maturities through November 2029	27,483,000	\$ 7,117,050
2011 Series A QSCB, interest rate of 4.650%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2026	30,352,000	29,357
2012 Series A, interest rates ranging from 2.625% to 3.375% principal and interest payable semiannually on March 1 and September 1, with maturities through March 2032	13,850,000	7,115,000
2012 Series B, interest rates ranging from 2.3% to 2.6% principal and interest payable semiannually on July 1 and January 1, with maturities through January 2024	20,510,000	2,190,000
2012 Series C, interest rate of 1.9%, principal and interest payable semiannually on March 1 and September 1, with maturities through September 2024	18,730,000	3,815,000
2012 Series D, interest rates ranging from 2% to 3.125%, principal and interest payable semiannually on October 1 and April 1, with maturities through October 2032	27,235,000	21,835,000
2013 Series A, interest rates ranging from 2% to 2.375%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2025	22,860,000	7,215,000
2013 Series B, interest rates ranging from 2% to 4%, principal and interest payable semiannually on July 1 and January 1, with maturities through July 2026	35,550,000	17,270,000
2013 Series C, interest rates ranging from 3% to 5%, principal and interest payable semiannually on November 1 and May 1, with maturities through November 2033	33,005,000	25,290,000
2014 Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on November 1 and May 1, with maturities through May 2034	42,890,000	38,205,000
2015 Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on October 1 and April 1, with maturities through April 2035	16,465,000	11,645,000
2015 Series B, interest rate set at 4%, principal and interest payable semiannually on December 1 and June 1, with maturities through December 2026	36,285,000	24,630,000
2015 Series C, interest rates ranging from 3% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through December 2035	15,160,000	12,455,000

Continued

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note E—Long-Term Liabilities—Continued

	Original	Outstanding
2016 Series A, interest rates ranging from 2.5% to 4%, principal and interest payable semiannually on July 1 and January 1, with maturities through July 2036	39,855,000	32,060,000
2016 Series B, interest rate set at 2%, principal and interest payable semiannually on April 1 and October 1, with maturities through October 2028	7,120,000	3,700,000
2017 Series A, interest rate set at 5%, principal and interest payable semiannually on August 1 and February 1, with maturities through August 2029	31,270,000	26,795,000
2018 Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on April 1 and October 1, with maturities through October 2038	29,625,000	26,925,000
2019 Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through June 2037	54,860,000	48,210,000
2020 Series A, interest rates ranging from 2% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through June 2037	57,795,000	55,020,000
2021 Series A, interest rates ranging from 2% to 4%, principal and interest payable semiannually on August 1 and February 1, with maturities through February 2041	36,350,000	34,580,000
2021 Series B, interest rates ranging from 2% to 5%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2041	86,445,000	83,880,000
2022 Series A, interest rates ranging from 2% to 5%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2032	74,475,000	51,275,000
2023 Series A, interest rates ranging from 4% to 5%, principal and interest payable semiannually on May 1 and November 1, with maturities through May 2043	57,925,000	57,925,000
Total	821,295,000	599,181,407
Previous balance of (discounts)/premiums	39,168,424	26,916,078
Premiums on bonds sold during current year	13,284,592	13,284,592
Current year amortization of discounts/(premiums)		(3,453,701)
Unamortized (discounts)/premiums at issuance of bonds	52,453,016	36,746,969
Total	\$ 873,748,016	\$ 635,928,376

Bonds outstanding as of June 30, 2023, are reported in the accompanying District-wide Statement of Net Position as follows:

	Current	Long-Term	Total
Governmental activities	\$ 40,548,093	\$ 595,380,283	\$ 635,928,376

The School Building Revenue Bonds listed below are subject to redemption prior to their stated maturity dates at the option of the Board. The redemption prices include a premium of 1% to 3% of the outstanding principal amounts. The earliest allowable redemption dates for each Series are as follows:

2010 Series C November 2020	2013 Series A June 2023	2015 Series C December 2025	2020 Series A June 2029
2011 Series A June 2021	2013 Series B July 2023	2016 Series A July 2036	2021 Series A February 2028
2012 Series A March 2022	2013 Series C November 2023	2016 Series B October 2028	2021 Series B December 2031
2012 Series B January 2024	2014 Series A May 2024	2017 Series A February 2027	2022 Series A June 2032
2012 Series C September 2024	2015 Series A April 2035	2018 Series A October 2026	2023 Series A May 2031
2012 Series D October 2022	2015 Series B December 2026	2019 Series A June 2026	

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note E—Long-Term Liabilities—Continued

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

In connection with most of the above listed bond issues, the District has entered into participation agreements with the Kentucky School Facilities Construction Commission (the "Commission") which provides that the Commission will remit a stated amount of bond principal and interest payments annually, subject to biennial approval by the Kentucky General Assembly. Should approval not be received in future periods, the District remains obligated for the full amount of the bond principal and interest payments.

Assuming no issues are called prior to scheduled maturity and continued Commission participation, the minimum obligations of the District at June 30, 2023 for debt service is as follows:

Year Ending June 30	Principal	Interest	Total Repayments	Less: Commission Participation	Net Repayments
2024	\$ 37,385,000	\$ 21,059,095	\$ 58,444,095	\$ 10,495,459	\$ 47,948,636
2025	36,570,000	19,846,238	56,416,238	8,569,017	47,847,221
2026	38,009,357	24,003,662	62,013,019	8,605,269	53,407,750
2027	39,300,000	16,893,035	56,193,035	8,344,339	47,848,696
2028	39,890,000	15,519,641	55,409,641	7,561,089	47,848,552
2029-2033	222,247,050	63,143,092	285,390,142	33,917,307	251,472,835
2034-2038	160,215,000	16,948,246	177,163,246	21,526,414	155,636,832
2039-2043	25,565,000	1,377,725	26,942,725	7,523,855	19,418,870
TOTAL	\$ 599,181,407	\$ 178,790,734	\$ 777,972,141	\$ 106,542,749	\$ 671,429,392

All bonds issued by the District were revenue bonds or refunding bonds of revenue bonds, and the proceeds were used to construct or renovate schools and other facilities. The bonds payable are collateralized by the educational facilities constructed by the District with bond proceeds. Bonds are repaid principally from state revenues in the Capital Outlay Fund and local revenues in the Building Tax Fund. General Fund revenues are available to pay for debt service but have not been needed for this purpose.

As of June 30, 2023, the outstanding principal amount of indebtedness that is considered to be extinguished under "in substance defeasance" and therefore excluded from the District-wide financial statements was \$41,544,200. Although defeased, the funded debt will not be actually retired until the call dates have come due or until maturity if they are not callable issues.

Qualified School Construction Bonds ("QSCB")—The District has issued two taxable Qualified School Construction Bonds with direct payment to issuer. As part of this program, the District pays interest to the purchaser at taxable interest rates and receives a refund from the US Department of Treasury for those interest payments. The official bond statements specify that the District will make payments, which will be held in trust for the sole purpose of redeeming the bonds held by the bondholders at maturity. Accordingly, as principal payments are made, both the cash held in trust and the payments made into the trust will be excluded from the District's assets and liabilities, respectively.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note E—Long-Term Liabilities—Continued

Qualified Zone Academy Bonds ("QZAB")—On December 23, 2008, the District issued \$5,200,000 in Special Obligations School Financing Bond Series 2008B as a QZAB to finance capital projects at Cane Run and Shacklette Elementary Schools. On December 23, 2009, the District began making annual payments of \$371,429 to an escrow account at a local bank. Such payments are being held in trust and invested at an interest rate of 6.0% in accordance with the funding agreement. The final annual payment was made on December 23, 2022 and the principal was paid in full from the escrow account.

Lease Obligations—The District has leases providing access to building space and copiers owned by the University of Louisville. The lease obligations are valued at the present value of each lease discounted at the District's average borrowing rate for the term of each lease. All leases are for fixed payment amounts and none have early termination penalties. This schedule shows the remaining lease obligation payments over the life of the leases:

Year Ending June 30	Payments	Interest	Net Repayments
2024	\$ 376,392	\$ 26,918	\$ 349,474
2025	349,636	25,195	324,441
2026	302,357	21,907	280,450
2027	173,586	12,393	161,193
2028	12,746	1,637	11,109
TOTAL	\$ 1,214,717	\$ 88,050	\$ 1,126,667

Subscription Obligations—The District's subscription obligations are valued at the present value of each subscription discounted at the District's average borrowing rate for the term of each subscription contract. This schedule shows the remaining payments over the life of the subscriptions:

Year Ending June 30	Payments	Interest	Total Repayments
2024	\$ 880,390	\$ 42,115	\$ 838,275
2025	685,290	34,652	650,638
TOTAL	\$ 1,565,680	\$ 76,767	\$ 1,488,913

Estimated Liability for Workers' Compensation Benefits—The estimated liability for workers' compensation benefits consists of claim settlements for reported and outstanding claims and estimated claim settlements for incurred but not reported claims (based upon historical experience and an actuarial study). Estimated claim settlements for incurred but not reported claims are discounted at 3% over the anticipated payment periods to reflect the time value of money. This liability, along with certain related assets and liabilities, is accounted for within the Workers' Compensation Trust Fund, which is a self-insurance fund administered by the District for the purpose of providing workers' compensation insurance to employees of the District.

The District maintained reinsurance covering that portion of risks in excess of \$1,000,000 for any one occurrence with a \$500,000 deductible for the year ended June 30, 2023. The limit is subject to audit by the District's insurer. The District remains liable to the extent that claims are less than the amount of reinsurance coverage or if the reinsuring company is unable to pay its portion of claims. Workers' Compensation liability is charged against the same fund from which each employee's salary is paid. The majority of these payments are charged to the General Fund, Special Revenue Fund, and School Food Services Fund.



Note E—Long-Term Liabilities—Continued

Accrued Vacation Pay and Sick Leave—Accrued vacation pay, which may be accumulated for a period of up to two years, is payable upon termination of employment. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 30% of the value of accumulated sick leave. Both accrued sick leave and accrued vacation pay liabilities are charged against the same fund from which each employee’s salary is paid. The majority of these payments are charged to the General Fund, Special Revenue Fund, and School Food Services Fund.

Activity in long-term liabilities during the year ended June 30, 2023 consisted of the following:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
School building revenue bonds	\$ 526,928,129	\$ 132,400,000	\$ 60,146,722	\$ 599,181,407	\$ 37,385,000
Net bond premiums/discounts	26,916,078	13,284,592	3,453,701	36,746,969	3,163,093
Lease liabilities	1,316,806	147,731	337,870	1,126,667	349,474
Subscription agreements liabilities		2,327,188	838,275	1,488,913	838,275
Estimated liability for workers' compensation claims	22,669,962	6,492,734	5,374,959	23,787,737	1,044,896
Accrued vacation pay	7,782,398	6,884,589	6,170,260	8,496,727	1,234,469
Accrued sick leave	42,830,043	22,547,491	18,987,969	46,389,565	749,761
	<u>\$ 628,443,416</u>	<u>\$ 184,084,325</u>	<u>\$ 95,309,756</u>	<u>\$ 717,217,985</u>	<u>\$ 44,764,968</u>

On the Government-wide and Proprietary Funds Statements of Net Position, long-term liabilities are split between the current maturities, which are expected to be paid within one year, and the long-term maturities, which are expected to be paid beyond one year later.

Note F—Retirement Plans

The District’s employees are provided with two pension plans, based on each position’s college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree. Both plans use the entry age normal actuarial funding method and the accrual basis of accounting.

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

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the CERS Board of Trustees under the provisions of Kentucky Revised Statute (“KRS”) 61.646. CERS is governed by a 9-member board of trustees. Another 9-member board of trustees called the Kentucky Retirement Systems oversees the Kentucky Employees Retirement Systems (“KERS”) and the State Police Retirement System (“SPRS”).

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note F—Retirement Plans—Continued

The administrative entity comprising the office of counselors and professional staff is referred to as the Kentucky Public Pensions Authority (“KPPA”). It is governed by a third 8-member board composed of trustees from the boards of trustees of CERS and the Kentucky Retirement Systems. CERS issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>, by writing to the Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by calling (502) 696-8800.

Benefits provided—CERS provides retirement and other postemployment benefits, which are described further in Note H. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement benefits are based on a factor of the number of years’ service and hire date multiplied by the average of the highest five years’ earnings for Tier 1 employees, or the average of the last five fiscal years’ earnings for Tier 2 and Tier 3 employees. Reduced benefits are based on factors of both of these components.

Employees are eligible for service-related disability benefits regardless of length of service. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits equal the employee's final full-year salary.

Contributions—Contribution rates are actuarially determined per KRS Section 78.454 (33) each year. The District’s contribution rate to the pension and insurance (OPEB) funds was 26.79%, 26.95% and 24.06% for the years ended June 30, 2023, 2022 and 2021, respectively. Required contributions by the employee to the pension and insurance (OPEB) funds (see Note H for OPEB information) are based on the tier:

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance fund
Tier 3	5% + 1% for insurance fund



Note F—Retirement Plans—Continued

In accordance with Senate Bill 2, signed by the Governor of Kentucky on April 4, 2013, 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 in the plan contribute 5% of their creditable compensation each month to their own account, and 1% to the Insurance Fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Trustees of the Kentucky Retirement Systems and CERS based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit of 4% is deposited to the member's account. The employer pay credit represents a portion of the employer contribution.

General information about the Teachers Retirement System of the State of Kentucky (“KTRS”)

Plan description—Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through KTRS, a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the State. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/employers/information/gasb-65-67/>.

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

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

Employees who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to 2% (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. Employees (including second retirement accounts) establishing an account between July 1, 2002 and June 30, 2008 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. Employees establishing an account between July 1, 2002 and June 30, 2008 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Employees hired on or after July 1, 2008, will receive monthly benefits equal to the average of their top three salary years multiplied by a sliding scale rate from 1.7% up to 2.5% based on years of service up to 30 years. Beyond 30 years of service, the rate increases to 3.0%.



Note F—Retirement Plans—Continued

Final average salary is defined as the member’s five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. KTRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

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

Contributions—Contribution rates are established by KRS. Employees are required to contribute 12.855% of their salaries to the pension plan. The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired on or after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 15.355% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon their request.

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 \$562,734,680 for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District’s proportionate share of the net pension liability for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District as of June 30, 2023 were as follows:

District's proportionate share of the CERS net pension liability	\$ 562,734,680
Commonwealth’s proportionate share of the KTRS net pension liability associated with the District	<u>3,264,487,687</u>
	<u><u>\$ 3,827,222,367</u></u>

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note F—Retirement Plans—Continued

The net pension liability for each plan 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 that date.

The District's proportion of the net pension liability for CERS was based on the District's actual contributions to the pension plan relative to the actual contributions of all participating organizations. At June 30, 2022, the District's proportion was 7.78%.

For the year ended June 30, 2023, the District recognized pension expense of \$52,326,882 related to CERS and \$119,068,168 related to KTRS, of which \$297,855,488 was recognized on the fund financial statements as it represented amounts paid on the District's behalf during the year. The District also recognized revenue of \$119,068,168 for KTRS support provided by the Commonwealth. As of the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 601,648	\$ 5,011,396
Net difference between projected and actual earnings on pension plan investments	14,426,490	
Change in proportion and differences between District contributions and proportionate share of contributions	40,098,619	8,936,704
District contributions subsequent to the measurement date	46,397,009	
Total	<u>\$ 101,523,766</u>	<u>\$ 13,948,100</u>

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized over a period of either five years for investments-related deferrals or the estimated remaining service life for active participants in the CERS pension plan for other deferred items. As of June 30, 2022 plan year, the estimated remaining service life was 2.90 years. The net increase (decrease) in pension expense related to the amortization of these deferred inflows and outflows of resources is as follows:

<u>Year ended June 30:</u>		
2024	\$	11,548,607
2025		18,372,869
2026		(4,728,897)
2027		15,986,078
2028		—
Thereafter		—



Note F—Retirement Plans—Continued

Actuarial assumptions—For financial reporting, the actuarial valuation as of June 30, 2022 was performed by Gabriel, Roeder, Smith & Company (“GRS”) for CERS and was performed by Cavanaugh Macdonald Consulting, LLC (“Cavanaugh”) for KTRS. 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 ended June 30, 2022, using generally accepted actuarial principles. There have been no changes in the CERS or KTRS actuarial assumptions since June 30, 2021. There were no material plan provision changes. Total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	2.50%
Payroll growth rate	2.00%	0.25%
Projected salary increases	3.30-10.30%, varies by service for CERS non- hazardous	3.00-7.50%, including wage inflation
Investment rate of return, net of investment expense & inflation	6.25%	7.10%

For CERS, the mortality table used for active members was a PUB-2010 General Mortality table, for the non-hazardous employees, projected with the ultimate rates from the MP- 2014 mortality improvement scale using a base year of 2010. The mortality table used for non-disabled retired members was a system-specific mortality table based on mortality experience from 2013-2019, 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.

For KTRS, mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ended June 30, 2016.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note F—Retirement Plans—Continued

For CERS, 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 for CERS are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income - Core Bonds	10.00%	28.00%
Fixed Income - Specialty Credit/High	10.00%	2.28%
Fixed Income - Cash	0.00%	(0.91)%
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Total	100%	

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	37.4%	4.2%	High Yield Bonds	2.0%	1.7%
Small Cap U.S. Equity	2.6%	4.7%	Other Additional Categories	5.0%	2.2%
Developed International Equity	16.5%	5.3%	Real Estate	7.0%	4.0%
Emerging Markets Equity	5.5%	5.4%	Private Equity	7.0%	6.9%
Fixed Income	15.0%	(0.1)%	Cash	2.0%	(0.3)%
			Total	100.0%	

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at required contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



Note F—Retirement Plans—Continued

For KTRS, 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 by the Commonwealth at the required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments. The Single Equivalent Interest Rate (SEIR) that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payments streams was used to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
CERS discount rate	5.25 %	6.25 %	7.25 %
District’s proportionate share of net pension liability	\$ 703,348,541	\$ 562,734,680	\$ 446,435,348
KTRS discount rate	6.10 %	7.10 %	8.10 %
District’s proportionate share of net pension liability	\$ —	\$ —	\$ —

Pension plan fiduciary net position—Detailed information about the pension plans’ fiduciary net position is available in the separately issued financial reports of both CERS and KTRS.

Other Retirement Plans—The District makes available various 401(k) and 403(b) defined contribution pension plans for all employees. These plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the plans up to the Internal Revenue Code maximum allowable amount. The District does not contribute to the plans, but the District retains authority to amend or terminate these plans. During the fiscal year ended June 30, 2023, employees of the District contributed \$2,329,273 to 401(k) plans and \$7,005,301 to 403(b) plans.

Note G—Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, allows entities with little or no administrative involvement and 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 on its financial statements. The District does not contribute to the Plan, and employees of the District contributed \$2,600,006 to the Plan during the fiscal year ended June 30, 2023.



Note H—Post-employment Benefits

District employees may receive post-employment benefits other than pensions (OPEB) through the same fiduciary OPEB system to which they contributed during their employment. In accordance with KRS, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans. KTRS maintains two separate OPEB plans for its retirees. The structure and how to access the financial and actuarial reports of CERS and KTRS are discussed further in Note F. Both plans offer OPEB benefits that are not based on level of employee pay or contributions.

CERS

The Board of Trustees of the Kentucky Retirement Systems and CERS administer the Kentucky Retirement Systems’ Insurance Fund (the Insurance Fund). KRS provides for a single insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the three pension funds: (1) KERS; (2) CERS; and (3) SPRS. The assets of the Insurance Fund are also segregated by plan. CERS provides health insurance, disability insurance and death benefits to Plan employees and beneficiaries. As discussed in Note F, pension benefits are grouped into three tiers based on participation date with benefits adjusted based on tier. OPEB are not adjusted by tier other than the determination of retirement eligibility.

Benefits provided—For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution benefits are as follows:

<u>Years of Service</u>	<u>% Paid by Insurance Fund</u>
20 or more	100%
15 -19	75%
10 - 14	50%
4 - 9	25%
Less than 4	—

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members who commenced participating between July 1, 2003 and September 1, 2008 reach a minimum vesting period of ten years, and members who commenced participating on or after September 1, 2008 reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index prior to July 1, 2009 and by 1.5% annually after July 1, 2009. Health insurance benefits are not protected under the inviolable contract provisions of Kentucky Revised Statutes 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions—The combined contribution rates for the CERS pension and insurance (OPEB) funds are contained in Note F.



Note H—Post-employment Benefits—Continued

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

At June 30, 2023, the District reported a liability of \$153,601,327 for its proportionate share of the collective 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 that date. The District's proportion of the net OPEB liability was based on the District's actual contributions to the OPEB plan relative to the actual contributions of all participating organizations. At June 30, 2022, the District's proportion was 7.78%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$23,379,820. 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	\$ 15,461,257	\$ 35,224,323
Change of assumptions	24,293,111	20,017,391
Net difference between projected and actual earnings on OPEB plan investments	6,234,303	
Change in proportion and difference between District contributions and proportionate share of contributions	12,577,941	7,918,410
District contributions subsequent to the measurement date	6,721,618	
Total	\$ 65,288,230	\$ 63,160,124

The District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized over a period of either five years for investments-related deferrals or the estimated remaining service life for active participants in the CERS OPEB plan for other deferred items. As of June 30, 2022 plan year, the estimated remaining service life was 4.82 years. The net increase (decrease) in OPEB expense related to the amortization of these deferred inflows and outflows of resources is as follows:

Year ended June 30	
2024	\$ (202,031)
2025	(445,187)
2026	(7,381,608)
2027	3,435,314
2028	—
Thereafter	—



Note H—Post-employment Benefits—Continued

Actuarial assumptions—For financial reporting, the actuarial valuation as of June 30, 2022 was performed by GRS. 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 ended June 30, 2022, using generally accepted actuarial principles. Senate Bill 209, passed during the 2022 legislative session, increased the insurance dollar contribution for members hired on or after July 1, 2003, 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. There were no other material plan provision changes.

The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2021 valuation process and was updated to better reflect the plan’s anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in healthcare costs. There were no other material assumption changes.

The actuarial assumptions are:

Investment rate of return	6.25%
Payroll growth rate	2.00%
Projected salary increases	3.30% to 10.30%, varies by service for CERS non-hazardous
Inflation rate	2.30%
Actuarial cost method	Entry age normal
Mortality:	
Pre-retirement	PUB-2010 General Mortality table for the non-hazardous plan, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and females rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Healthcare cost trend rates:	
Under 65	Initial trend starting at 6.30% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Over 65	Initial trend starting at 9.0% in 2024, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Municipal bond index rate	1.92%
Municipal bond index	Fidelity Index's 20-Year Municipal GO AA Index as of June 30, 2021

The long-term expected rate of return on OPEB plan investments was determined using an asset valuation method where 20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.



Note H—Post-employment Benefits—Continued

Discount rate—The discount rate used to measure the total OPEB liability increased from 5.20% to 5.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the actuarially determined contribution rate of projected compensation over the remaining 25 years (closed) amortization period of the unfunded actuarial accrued liability. 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. The cost associated with the implicit employer subsidy was not included in the calculation of the actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of CERS’s trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in Note F above.

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

	1% Decrease (4.70%)	Current Discount (5.70%)	1% Increase (6.70%)
District’s proportionate share of net OPEB Liability	\$ 205,340,482	\$ 153,601,327	\$ 110,830,289

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

	1% Decrease	Current Health Care Trend Rate	1% Increase
District’s proportionate share of net OPEB Liability	\$ 114,199,185	\$ 153,601,327	\$ 200,915,889

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

KTRS Medical Insurance Plan

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

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note H—Post-employment Benefits—Continued

Contributions—In order to fund the post-retirement healthcare benefit, 6.75% of the gross annual payroll of employees before July 1, 2008 is contributed. 3% is paid by member contributions, 0.75% from State appropriation and 3% from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2023, the District reported a liability of \$344,333,000 for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth’s OPEB support provided to the District. 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 that date. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District’s proportion was 13.87%.

The amount recognized by the District as its proportionate share of the OPEB liability, the related Commonwealth 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	\$ 344,333,000
Commonwealth's proportionate share of the District's net OPEB liability	113,112,000
Total	\$ 457,445,000

For the year ended June 30, 2023, the District recognized OPEB expense of \$10,736,000. 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		\$ 144,734,000
Change of assumptions	\$ 69,932,000	
Net difference between projected and actual earnings on OPEB plan investments	18,309,000	
Change in proportion and differences between District contributions and proportionate share of contributions	102,140,000	2,262,000
District contributions subsequent to the measurement date	18,403,950	
Total	\$ 208,784,950	\$ 146,996,000

The District’s 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 over a period of either five years for investments-related deferrals or the estimated remaining service life for active participants in the OPEB plan for other deferred items. As of June 30, 2022 plan year, the estimated remaining service life was 6.43 years.

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note H—Post-employment Benefits—Continued

The net increase (decrease) in OPEB expense related to the amortization of these deferred inflows and outflows of resources is as follows:

<u>Year ended June 30</u>	
2024	\$ (1,677,000)
2025	(402,000)
2026	955,000
2027	20,776,000
2028	16,600,000
Thereafter	7,133,000

Actuarial assumptions—For financial reporting, the actuarial valuation for KTRS as of June 30, 2022 was performed by Cavanaugh. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 was determined based on an actuarial valuation prepared as of June 30, 2021, using the new actuarial assumptions adopted by the Board subsequent to the June 30, 2021 valuation based on the experience investigation for the five-year period ended June 30, 2021. The following actuarial assumptions are applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including Inflation
Projected salary increases	3.00% - 7.50%, including wage inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Healthcare cost trend rates:	
Under 65	7.00% for FY2022 decreasing to an ultimate rate of 4.50% by FY2032
Ages 65 and older	5.125% for FY2022 decreasing to an ultimate rate of 4.50% by FY2025
Medicare Part B premiums	6.97% for FY2022 with an ultimate rate of 4.50% by FY2034
Municipal bond index rate	3.37%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ended June 30, 2016. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.



Note H—Post-employment Benefits—Continued

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

Asset Class	% of Assets in Category	Long-Term Expected Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	(0.1)%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
High Yield	8.0%	1.7%
Other Additional Categories	9.0%	2.2%
Cash (LIBOR)	1.0%	(0.3)%
Total	100.0%	

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 the 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 net OPEB liability to changes in the discount rate—The following table presents the net OPEB liability of the District, calculated using the discount rate selected by KTRS, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
\$	432,020,000	\$ 344,333,000	\$ 271,734,000

Notes to the Financial Statements
For the Year Ended June 30, 2023



Note H—Post-employment Benefits—Continued

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

<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
\$ 258,123,000	\$ 344,333,000	\$ 451,527,000

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

KTRS Life Insurance Plan

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

Benefits provided—The KTRS Life Insurance Plan provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. Active members may receive a \$2,000 lump sum payable. The benefit is payable to the member’s estate or to a party designated by the member.

Contributions—In order to fund the post-retirement life insurance benefit, 0.03% of the gross payroll of members is contributed by the Commonwealth.

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

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 Commonwealth of Kentucky provides the OPEB support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Commonwealth’s proportionate share of the District’s net OPEB liability	\$ 5,622,000
District’s proportionate share of the net OPEB liability	<u>—</u>
Total	<u><u>\$ 5,622,000</u></u>



Note H—Post-employment Benefits—Continued

The District does not recognize revenue or expense associated with this plan. At June 30, 2023, the District did not have any deferred outflows of resources or deferred inflows of resources related to the net OPEB liability for life insurance benefits.

Actuarial assumptions—For financial reporting, the actuarial valuation for KTRS as of June 30, 2022 was performed by Cavanaugh. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 was determined based on an actuarial valuation prepared as of June 30, 2021, using the new actuarial assumptions adopted by the Board subsequent to the June 30, 2021 valuation based on the experience investigation for the five-year period ended June 30, 2021. The following actuarial assumptions are applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00% - 7.50%, including wage inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Municipal bond index rate	2.13%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ended June 30, 2016.

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 H—Post-employment Benefits—Continued

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

Asset Class	% of Assets in Category	Long-Term Expected Rate of Return
U.S. Equity	40.0%	4.4%
International Equity	23.0%	5.6%
Fixed Income	18.0%	(0.1)%
Real Estate	6.0%	4.0%
Private Equity	5.0%	6.9%
Other Additional Categories	6.0%	2.1%
Cash (LIBOR)	2.0%	(0.3)%
Total	100.0%	

Discount rate—The discount rate used to measure the state’s 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 KTRS financial report.

Note I—Commitments

On June 30, 2023, the District had outstanding commitments for construction of \$165,853,813.

Note J—Contingencies

The District is subject to legal actions in various stages of litigation. Based on the advice of counsel, management of the District does not anticipate that there will be any material effect on the financial position of the District as a result of the litigation presently in progress beyond the settlements recorded as liabilities as of June 30, 2023.

In the normal course of operations, 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 grantor may request a refund of monies advanced or refuse to reimburse the District for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of the District’s grant programs is predicated upon the grantor’s satisfaction that the funds provided are being spent as intended and the grantors’ intent to continue their programs.



Note J—Contingencies—Continued

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

Note K—Insurance and Risk Financing Related Activities

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicle accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. To further reduce financial risk to the District, additional policies are purchased to address the risk that claims could exceed the insurance coverage limits. Over the past three years, the District has not had claims that exceeded its insurance policies and excess policies. Since claims are entirely managed through commercial insurance, the District has no claims liability as of June 30, 2023.

Note L—Encumbrances

The District classifies encumbrances as Assigned Fund Balance in the General Fund and as Restricted Fund Balance in other funds on its Balance Sheet – Governmental Funds in accordance with a directive from the Kentucky Department of Education. Issuing and controlling purchase orders is traditionally a management function, and encumbering and releasing the encumbrance of fund balance is a function of the District’s management with approval of members of our Board of Education. As of June 30, 2023, encumbrances were included in our Fund Balances as follows:

General Fund assigned fund balance	\$ 57,647,612
Special Revenue Fund restricted fund balance	40,467,148
Construction Fund restricted fund balance	101,898,272
Nonmajor governmental funds restricted fund balance	<u>567,910</u>
Total Encumbrances	<u><u>\$ 200,580,942</u></u>



Note M—Recent GASB Pronouncements

The GASB has issued several reporting standards that will become effective for fiscal 2024 and later years' financial statements:

- Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62.
- Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences.

The District is currently evaluating the impact that will result from adopting these GASB standards and is therefore unable to disclose the impact that adopting these standards will have on the District's financial position and the results of its operations when the standards are adopted.

Note N—Subsequent Events

In preparing these financial statements, management of the District has evaluated events and transactions for potential recognition or disclosure through November 14, 2023, the date the financial statements were available to be issued.

On July 10, 2023, the District entered into a lease of a 60,000 square foot facility that will be used for meeting and office space. The lease agreement extends through July 9, 2025 at a charge of \$78,606 per month.

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	General Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Local sources				
Property taxes	\$ 581,840,841	\$ 581,840,841	\$ 580,019,236	\$ (1,821,605)
Occupational taxes	203,200,000	203,200,000	206,342,623	3,142,623
Other taxes	68,940,541	68,940,541	74,667,834	5,727,293
State sources				
SEEK program	214,730,514	214,489,238	224,984,448	10,495,210
Other state revenues	324,528,633	324,528,633	414,714,711	90,186,078
Interest	1,500,000	1,500,000	20,147,815	18,647,815
Transfers from Proprietary Funds			4,200,189	4,200,189
Operating transfers in	11,519,669	6,437,669	18,503,595	12,065,926
Other sources		5,082,000	12,800,801	7,718,801
Total Revenues	1,406,260,198	1,406,018,922	1,556,381,252	150,362,330
Expenditures				
Instruction	813,221,235	784,112,855	772,115,458	11,997,397
Student support services	89,394,577	89,214,776	95,899,669	(6,684,893)
Instructional staff support services	131,557,576	130,021,321	133,725,146	(3,703,825)
District administration support services	21,839,464	22,131,706	9,396,502	12,735,204
School administration support services	125,733,875	133,009,782	130,472,811	2,536,971
Business support services	97,220,841	99,452,095	75,958,756	23,493,339
Plant operations and maintenance	165,453,824	188,565,149	148,854,140	39,711,009
Transportation	83,460,517	84,556,300	79,123,449	5,432,851
Other	179,566	165,606	182,834	(17,228)
Community services	3,517,211	3,509,391	2,852,446	656,945
Building renovations	2,832,242	3,454,300	2,297,926	1,156,374
Transfers to Proprietary Funds			2,965,253	(2,965,253)
Operating transfers out	17,666,800	32,990,619	19,630,400	13,360,219
Contingency	199,882,470	180,068,163		180,068,163
Total Expenditures	1,751,960,198	1,751,252,063	1,473,474,790	277,777,273
Revenues in Excess of (Less Than) Expenditures	\$ (345,700,000)	\$ (345,233,141)	\$ 82,906,462	\$ 428,139,603
Fund Balance, End of Year	\$ (2,980,350)	\$ (2,513,491)	\$ 425,626,112	

See page 69 for explanation of significant budget variances

See Report of Independent Auditors

Schedule of Revenues and Expenditures – Budget and Actual—Continued
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Special Revenue Fund			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Grants	\$ 125,895,768	\$ 177,484,424	\$ 292,554,292	\$ 115,069,868
Interest	4,927	168,594	312,463	143,869
Other Sources	12,032	12,032	274,725	262,693
Transfers from other funds	1,815,000	1,896,693	1,880,977	(15,716)
Total Revenues	127,727,727	179,561,743	295,022,457	115,460,714
Expenditures				
Instruction	71,751,060	117,566,884	175,997,845	(58,430,961)
Student support services	5,849,471	7,433,904	19,554,373	(12,120,469)
Instructional staff support services	32,423,887	36,019,016	49,584,819	(13,565,803)
District administration support services	79,608	106,900	491,803	(384,903)
School administration support services	232,300	233,886	5,503,562	(5,269,676)
Business support services	364,595	645,525	4,751,205	(4,105,680)
Plant operations and maintenance	1,121,292	1,354,449	13,401,076	(12,046,627)
Student transportation	569,956	948,843	10,487,578	(9,538,735)
Other		45,000	60,239	(15,239)
Food service operation			605,677	(605,677)
Community services	12,897,889	13,870,733	10,809,580	3,061,153
Transfers to other funds	2,437,670	3,164,096	18,503,595	(15,339,499)
Total Expenditures	127,727,728	181,389,236	309,751,352	(128,362,116)
Revenues in Excess of (Less Than) Expenditures		\$ (1,827,493)	\$ (14,728,895)	\$ (12,901,402)
Fund Balance, End of Year	\$ 17,018,030	\$ 15,190,538	\$ 2,289,136	

See page 69 for explanation of significant budget variances

See Report of Independent Auditors

Explanation of significant budget variances:

General Fund

Local sources of revenue aligned with budget compared to the prior few years as the economy stabilized after the COVID-19 shutdowns. Other taxes were \$5.7 million higher than budget due to collection of delinquent taxes from the previous year's levy. Other state revenues were significantly higher than budget due to on-behalf payment increased revenue in the current year. See Note A for more details. SEEK also had a change in the guaranteed base in the current year, going from \$4,000 to \$4,100. Transportation expense reimbursements also went up to 70% in the current year (compared to 50% in prior years). Operating transfers in were significantly higher due to collection of indirect cost from large ESSER COVID-19 stimulus grants. Many of the expense categories were under budget due to many expenses still being able to be claimed and paid under the ESSER grants. Another reason for the decrease compared to budget was due to hiring challenges that are still lingering after the shutdown period. Last, we are required to budget our ending unassigned fund balance in a Contingency category. These funds will not be spent.

Special Revenue Fund

The Special Revenue Fund accounts for grants whose term may extend more than one fiscal year, while the budget presented shows only current-year (new) grants, and doesn't show the remaining budget of grants awarded in previous fiscal years. Grant revenues and most expenses are significantly over budget as the ESSER COVID-Relief stimulus grant money awarded in previous fiscal years continued to be recognized and spent during the current fiscal year to combat learning loss and transition students back into the classroom. Since these grants have a greater than 12-month term, they are considered multi-year and some of the budgets of the prior year were higher than anticipated, with expenses being paid out the following (current) year.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net Pension Liability
 – County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	2022-23	2021-22	2020-21	2019-20	2018-19
District's proportion of the net pension liability	7.78 %	6.95 %	7.31 %	7.60 %	7.74 %
District's proportionate share of the net pension liability	\$ 562,734,680	\$ 443,185,785	\$ 560,507,655	\$ 534,348,849	\$ 471,620,358
District's covered payroll*	219,184,480	180,625,616	190,153,756	194,138,549	194,383,907
District's proportionate share of the net pension liability as a percentage of District's covered payroll	256.74 %	245.36 %	294.77 %	275.24 %	242.62 %
Plan fiduciary net position as a percentage of the total pension liability	52.42 %	57.33 %	58.27 %	50.45 %	53.54 %
	2017-18	2016-17	2015-16	2014-15	
District's proportion of the net pension liability	7.75 %	7.83 %	8.05 %	8.15 %	
District's proportionate share of the net pension liability	\$ 453,555,175	\$ 385,681,594	\$ 346,318,819	\$ 264,419,000	
District's covered payroll*	191,038,985	188,718,277	189,331,814	187,829,142	
District's proportionate share of the net pension liability as a percentage of District's covered payroll	237.41 %	201.08 %	183.51 %	139.66 %	
Plan fiduciary net position as a percentage of the total pension liability	55.30 %	55.50 %	59.97 %	66.80 %	

* The amounts presented for each fiscal year were determined as of the measurement date of the net pension liability, which is as of the District's prior fiscal year end.

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net Pension Liability
 – Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
District's proportion of the net pension liability	—	—	—	—	—
District's proportionate share of the net pension liability	—	—	—	—	—
Commonwealth's proportion of the net pension liability associated with the District	19.27 %	19.56 %	19.62 %	19.52 %	18.95 %
Commonwealth's proportionate share of the net pension liability associated with the District	\$3,264,487,687	\$2,545,897,736	\$2,780,312,359	\$2,663,581,788	\$2,481,543,345
Total	\$3,264,487,687	\$2,545,897,736	\$2,780,312,359	\$2,663,581,788	\$2,481,543,345
District's covered payroll*	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214
District's proportionate share of the net pension liability	—	—	—	—	—
Commonwealth's proportionate share of the net pension liability as a percentage of District's covered payroll	433.56 %	377.86 %	423.54 %	416.39 %	398.67 %
Plan fiduciary net position as a percentage of the total pension liability	56.41 %	65.59 %	58.27 %	58.80 %	59.30 %
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	
District's proportion of the net pension liability	—	—	—	—	
District's proportionate share of the net pension liability	—	—	—	—	
Commonwealth's proportion of the net pension liability associated with the District	18.59 %	18.59 %	18.48 %	17.89 %	
Commonwealth's proportionate share of the net pension liability associated with the District	\$ 5,016,422,679	\$5,016,422,679	\$4,301,069,425	\$3,675,381,169	
Total	\$ 5,016,422,679	\$5,422,750,549	\$4,301,069,425	\$3,675,381,169	
District's covered payroll*	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426	\$ 560,665,934	
District's proportionate share of the net pension liability	—	—	—	—	
Commonwealth's proportionate share of the net pension liability as a percentage of District's covered payroll	835.00 %	902.63 %	730.34 %	638.88 %	
Plan fiduciary net position as a percentage of the total pension liability	39.83 %	35.22 %	78.53 %	45.59 %	

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** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 – County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	2022-23	2021-22	2020-21	2019-20	2018-19
District's proportion of the net OPEB liability	7.78 %	6.95 %	7.31 %	7.60 %	7.74 %
District's proportionate share of the net OPEB liability	\$153,601,327	\$133,043,933	\$176,415,272	\$127,756,181	\$137,485,575
District's covered-employee payroll*	219,184,480	180,625,616	190,153,756	194,138,549	194,383,907
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	70.08 %	73.66 %	97.67 %	65.81 %	70.73 %
Plan fiduciary net position as a percentage of the total OPEB liability	60.95 %	62.91 %	51.67 %	60.44 %	57.62 %
	2017-18	2016-17			
District's proportion of the net OPEB liability	7.75 %	N/A			
District's proportionate share of the net OPEB liability	\$155,775,355	\$122,185,342			
District's covered-employee payroll*	191,038,985	188,718,277			
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	81.54 %	64.74 %			
Plan fiduciary net position as a percentage of the total OPEB liability	52.40 %	52.40 %			

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** Schedule is intended to show information for ten years. Additional years will be displayed as they become available. will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 – Kentucky Teachers Retirement System – Medical Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
District's proportion of the net OPEB liability	13.87 %	10.39 %	10.47 %	10.36 %	9.74 %
District's proportionate share of the net OPEB liability	\$ 344,333,000	\$ 222,871,000	\$ 264,226,000	\$ 303,280,000	\$ 338,031,000
Commonwealth's proportion of the net OPEB liability associated with the District	4.56 %	8.44 %	8.39 %	8.37 %	8.40 %
Commonwealth's proportionate share of the net OPEB liability associated with the District	113,112,000	180,997,000	211,644,000	244,916,000	291,312,000
Total	<u>\$ 457,445,000</u>	<u>\$ 403,868,000</u>	<u>\$ 475,870,000</u>	<u>\$ 548,196,000</u>	<u>\$ 629,343,000</u>
District's covered-employee payroll*	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	45.73 %	33.08 %	39.22 %	47.41 %	54.31 %
Plan fiduciary net position as a percentage of the total OPEB liability	47.75 %	51.74 %	39.05 %	32.58 %	25.50 %
	<u>2017-18</u>				
District's proportion of the net OPEB liability	9.78 %				
District's proportionate share of the net OPEB liability	\$ 348,684,000				
Commonwealth's proportion of the net OPEB liability associated with the District	7.99 %				
Commonwealth's proportionate share of the net OPEB liability associated with the District	<u>284,824,000</u>				
Total	<u>\$ 633,508,000</u>				
District's covered-employee payroll*	\$ 600,769,995				
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	56.02 %				
Plan fiduciary net position as a percentage of the total OPEB liability	21.18 %				

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** Schedule is intended to show information for ten years. Additional years will be displayed as they become available. will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 – Kentucky Teachers Retirement System – Life Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
District's proportion of the net OPEB liability	—	—	—	—	—
District's proportionate share of the net OPEB liability	—	—	—	—	—
Commonwealth's proportion of the net OPEB liability associated with the District	18.09 %	18.40 %	18.44 %	18.31 %	17.73 %
Commonwealth's proportionate share of the net OPEB liability associated with the District	5,622,000	2,410,000	6,402,000	5,688,000	5,001,000
Total	<u>\$ 5,622,000</u>	<u>\$ 2,410,000</u>	<u>\$ 6,402,000</u>	<u>\$ 5,688,000</u>	<u>\$ 5,001,000</u>
District's covered-employee payroll*	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	—	—	—	—	—
Plan fiduciary net position as a percentage of the total OPEB liability	73.97 %	89.15 %	71.57 %	73.40 %	75.00 %
	<u>2017-18</u>				
District's proportion of the net OPEB liability	—				
District's proportionate share of the net OPEB liability	—				
Commonwealth's proportion of the net OPEB liability associated with the District	17.36 %				
Commonwealth's proportionate share of the net OPEB liability associated with the District	3,805,000				
Total	<u>\$ 3,805,000</u>				
District's covered-employee payroll*	\$ 600,769,995				
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	—				
Plan fiduciary net position as a percentage of the total OPEB liability	79.99 %				

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** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

– Pension: County Employees Retirement System Non-Hazardous

Board of Education of Jefferson County, Kentucky

June 30, 2023

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	\$ 46,397,009	\$ 46,332,246	\$ 34,730,614	\$ 36,514,460	\$ 31,349,330
Contributions in relation to the contractually required contribution	46,397,009	46,332,246	34,730,614	36,514,460	31,349,330
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
District's covered payroll	\$ 198,517,980	\$ 219,184,480	\$ 180,625,616	\$ 190,153,786	\$ 194,138,549
Contributions as a percentage of covered payroll	23.37 %	21.14 %	19.23 %	19.20 %	16.15 %

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 22,849,672	\$ 26,605,500	\$ 23,316,728	\$ 33,301,465
Contributions in relation to the contractually required contribution	22,849,672	26,605,500	23,316,728	33,301,465
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
District's covered payroll	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277	\$ 189,329,298
Contributions as a percentage of covered payroll	11.75 %	13.93 %	12.36 %	17.59 %

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions
 – Pension: Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	—	—	—	—	—
Contributions in relation to the contractually required contribution	—	—	—	—	—
Contribution deficiency (excess)	—	—	—	—	—
District's covered payroll	\$ 743,542,273	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235
Contributions as a percentage of covered payroll	—	—	—	—	—

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	—	—	—	—
Contributions in relation to the contractually required contribution	—	—	—	—
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
District's covered payroll	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426
Contributions as a percentage of covered payroll	—	—	—	—

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

– OPEB: County Employees Retirement System Non-Hazardous

Board of Education of Jefferson County, Kentucky

June 30, 2023

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	\$ 6,721,618	\$ 12,649,994	\$ 8,565,685	\$ 9,005,639	\$ 10,166,306
Contributions in relation to the contractually required contribution	6,721,618	12,649,994	8,565,685	9,005,639	10,166,306
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
District's covered-employee payroll	\$ 198,517,980	\$ 219,184,480	\$ 180,625,616	\$ 190,153,786	\$ 194,138,549
Contributions as a percentage of covered-employee payroll	3.39 %	5.77 %	4.74 %	4.74 %	5.24 %

	2017-18	2016-17
Contractually required contribution	\$ 7,616,557	\$ 8,868,500
Contributions in relation to the contractually required contribution	7,616,557	8,868,500
Contribution deficiency (excess)	\$ —	\$ —
District's covered-employee payroll	\$ 194,383,907	\$ 191,038,985
Contributions as a percentage of covered-employee payroll	3.92 %	4.64 %

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions
 – OPEB: Kentucky Teachers Retirement System – Medical Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Contractually required contribution	\$ 18,403,950	\$ 18,436,483	\$ 18,489,424	\$ 18,043,085	\$ 17,354,459
Contributions in relation to the contractually required contribution	<u>18,403,950</u>	<u>18,436,483</u>	<u>18,489,424</u>	<u>18,043,085</u>	<u>17,354,459</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
District's covered-employee payroll	\$ 743,542,273	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235
Contributions as a percentage of covered-employee payroll	2.48 %	2.45 %	2.46 %	2.75 %	2.71 %

	<u>2017-18</u>
Contractually required contribution	\$ 16,753,572
Contributions in relation to the contractually required contribution	<u>16,753,572</u>
Contribution deficiency (excess)	<u>\$ —</u>
District's covered-employee payroll	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	2.69 %

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions
 – OPEB: Kentucky Teachers Retirement System – Life Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Contractually required contribution	—	—	—	—	—
Contributions in relation to the contractually required contribution	—	—	—	—	—
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
District's covered-employee payroll	\$ 743,542,273	\$ 752,953,376	\$ 673,774,895	\$ 656,440,928	\$ 639,689,235
Contributions as a percentage of covered-employee payroll	—	—	—	—	—
	<u>2017-18</u>				
Contractually required contribution	—				
Contributions in relation to the contractually required contribution	—				
Contribution deficiency (excess)	<u>\$ —</u>				
District's covered-employee payroll	\$ 622,457,214				
Contributions as a percentage of covered-employee payroll	—				

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Changes of Benefit Terms and Assumptions:

2023 (CERS plan year ended June 30, 2022)

Since the prior measurement date, there have been no significant assumption changes. However, Senate Bill 209, passed during the 2022 Legislative Session, increased the insurance dollar contribution for members hired on or after July 1, 2003 and was first payable January 1, 2023.

2022 (CERS plan year ended June 30, 2021)

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

The discount rate used to calculate the total OPEB liability changed from 5.34% to 5.20% for the non-hazardous plan.

2021 (CERS plan year ended June 30, 2020)

Senate Bill 249 passed during the 2020 Legislative Session 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. House Bill 271 passed during the 2020 Legislative Session 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.

The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The actuarial information was also updated to reflect the anticipated savings from the repeal of the “Cadillac Tax” and “Health Insurer Fee”, which occurred in December of 2019. The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee.

The discount rate used to calculate the total OPEB liability changed from 5.68% to 5.34% for the non-hazardous plan.

2020 (CERS plan year ended June 30, 2019)

Annual salary increases were updated based on the 2018 Experience Study; annual rates of retirement, disability, withdrawal, and mortality were updated based on the 2018 Experience Study; the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members; the assumed increase in future health care costs, or trend assumption, was increased to better reflect more current expectations relating to anticipated future increases in the medical costs for post-age 65 retirees; and the assumed impact of the Cadillac Tax was changed from a 3.6% to a 0.9% load on employer paid premiums for Non-Medicare retirees who became participants prior to July 1, 2003.

The mortality table used for active members was a Pub-2010 General Mortality table, for the non-hazardous plan, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

2020 (CERS plan year ended June 30, 2019)-continued

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.

The salary increase assumption changed from 3.30% - 11.55% to 3.30% - 10.30% for the non-hazardous plan. The discount rate used to calculate the total OPEB liability changed from 5.85% to 5.68% for the non-hazardous plan.

2019 (CERS plan year ended June 30, 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 payroll growth assumption was changed from 4.00% to 2.00%.

The salary increase assumption changed from 3.05% to 3.30% - 11.55% for the non-hazardous plan.

The discount rate used to calculate the total OPEB liability changed from 5.84% to 5.85% for the non-hazardous plan.

2018 (CERS plan year ended June 30, 2017)

The salary increases assumption was changed from 2.00% to 3.05%.

The assumed investment return was changed from 7.50% to 6.25%.

The price inflation assumption was changed from 3.25% to 2.3%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service.

The discount rate used to calculate the total OPEB liability changed from 6.89% to 5.84% for the non-hazardous plan.

2017 (CERS plan year ended June 30, 2016)

None

2016 (CERS plan year ended June 30, 2015)

The assumed investment rate of return was decreased from 7.75% to 7.50%. The assumed rate of inflation was reduced from 3.50% to 3.25%. The assumed rate of wage inflation was reduced from 1.00% to 0.75%. The payroll growth assumption was reduced from 4.50% to 4.00%.

The mortality table used for active members was the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).

2016 (CERS plan year ended June 30, 2015)-continued

For healthy retired members and beneficiaries, the mortality table used was the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) was used for the period after disability retirement.

The assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

Changes of Benefit Terms and Assumptions:

Pension

2022

The municipal bond index rate decreased from 2.19% to 2.13%.

2021

The municipal bond index rate decreased from 3.50% to 2.19%.

2020

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

2019

The municipal bond index rate increased from 3.56% to 3.89%.

The discount rate increased from 4.49% to 7.5%.

2018

The municipal bond index rate increased from 3.01% to 3.56%.

The discount rate increased from 4.20% to 4.49%.

2017

The municipal bond index rate decreased from 3.82% to 3.01%.

The discount rate decreased from 4.88% to 4.20%.

2016

The municipal bond index rate decreased from 4.35% to 3.82%.

Other Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

Construction Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest			\$ 754,233	\$ 754,233
Proceeds from the sale of bonds	\$ 66,813,444	\$ 81,611,938	145,684,592	64,072,654
Other state revenues			6,811,000	6,811,000
Transfers from other funds			31,432,019	31,432,019
Total Revenues	89,381,244	81,611,938	184,681,844	103,069,906
Expenditures				
Building renovations	65,299,433	82,174,907	102,503,111	(20,328,204)
Transfers to other funds			24,587,076	(24,587,076)
Total Expenditures	65,299,433	82,174,907	127,090,187	(44,915,280)
Revenues in Excess of (Less Than) Expenditures		\$ (562,969)	\$ 57,591,657	\$ 58,154,626
Fund Balance, End of Year	\$ 100,242,786	\$ 75,598,006	\$ 133,752,632	

School Food Services Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Lunchroom sales	\$ 2,950,000	\$ 2,950,000	\$ 2,175,391	\$ (774,609)
Federal grants	79,781,765	80,879,112	66,305,900	(14,573,212)
State revenues	111,000	111,000	6,057,573	5,946,573
Donated commodities			4,805,902	4,805,902
District support			2,965,253	2,965,253
Interest	2,000	2,000	223,978	221,978
Other local revenue	99,789	99,789	127,949	28,160
Total Revenues	82,944,554	84,041,901	82,661,946	(1,379,955)
Expenses				
Food service operations	71,690,555	83,574,722	84,104,750	(530,028)
Transfers to other funds	4,090,000	4,000,000	4,200,189	(200,189)
Total Expenses	75,780,555	87,574,722	88,304,939	(730,217)
Revenues in Excess of (Less Than) Expenses		\$ (3,532,821)	\$ (5,642,993)	\$ (2,110,172)
Net Position, End of Year	\$ (41,094,712)	\$ (44,627,533)	\$ (46,737,705)	

Basis of budgeting – The Board accounts for and budgets operations according to Generally Accepted Accounting Principles.

See page 88 for explanation of significant budget variances
See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual – Nonmajor Funds-continued
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2023

SEEK Capital Outlay Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State SEEK program	\$ 8,775,318	\$ 8,775,318	\$ 8,775,318	
Expenditures				
Transfers to other funds	8,775,318	8,775,318	8,775,318	
Revenues in Excess of (Less Than) Expenditures				
Fund Balance, End of Year				
Building Tax Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 47,443,915	\$ 47,443,915	\$ 47,443,915	
Other sources	99,364	99,364	100,464	\$ 1,100
Total Revenues	47,543,279	47,543,279	47,544,379	1,100
Expenditures				
Transfers to other funds	47,543,279	47,543,279	53,581,879	(6,038,600)
Revenues in Excess of (Less Than) Expenditures			\$ (6,037,500)	\$ (6,037,500)
Fund Balance, End of Year	\$ 6,041,799	\$ 6,041,799	\$ 4,299	

See page 88 for explanation of significant budget variances
 See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual – Nonmajor Funds-continued
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2023

Debt Service Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
KSFCC allocation	\$ 10,000,000	\$ 10,000,000	\$ 9,618,677	
Other sources	2,600,000	2,600,000	1,986,762	\$ (613,238)
Transfers from other funds	56,318,597	56,318,597	71,441,304	15,122,707
Total Revenues	68,918,597	68,918,597	83,046,743	14,128,146
Expenditures				
Debt service	61,330,974	68,918,597	83,046,743	(14,128,146)
Revenues in Excess of (Less Than) Expenditures				
Fund Balance, End of Year				
Day Care Operations Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Tuition and fees		\$ 14,921	\$ 14,921	
Other local, state and federal revenues		167,046	187,758	\$ 20,712
Total Revenues		167,046	202,679	35,633
Expenses				
Day care operations	675,128	746,333	54,577	(691,756)
Revenues in Excess of (Less Than) Expenses				
Net Position, End of Year	\$ (675,128)	\$ (579,287)	\$ 148,102	\$ (671,044)

See page 88 for explanation of significant budget variances
 See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual – Nonmajor Funds-continued
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2023

Adult Education Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Adult education tuition	\$ 4,934	\$ 104,590	\$ 80,094	\$ (24,496)
Interest		655	11,831	11,176
Other state revenues			15,021	15,021
Total Revenues	5,367	105,245	106,946	1,701
Expenses				
Instructional staff support services	302,620	393,323	92,594	300,729
Revenues in Excess of (Less Than) Expenses			\$ 14,352	\$ 307,430
Net Position, End of Year	\$ (85,868)	\$ (81,693)	\$ 225,737	

Tuition Preschool Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Pre-School Tuition	\$ 2,556	\$ 171,002	\$ 243,453	\$ 72,451
Total Revenues	2,556	171,002	243,453	72,451
Expenses				
Instruction	269,142	345,307	32,055	313,252
Revenues in Excess of (Less Than) Expenses		\$ (174,305)	\$ 211,398	\$ 385,703
Net Position, End of Year	\$ 265,947	\$ 358,228	\$ 743,931	

See page 88 for explanation of significant budget variances
 See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual – Nonmajor Funds-continued
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2023

	Enterprise Programs			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
State revenues			\$ 181	\$ 181
Donations		\$ 7,557	13,802	6,245
Transfers from other funds	\$ 95,000	95,000		(95,000)
Total Revenues	95,000	102,557	13,983	(88,574)
Expenses				
Instruction	113,315	113,315	14,459	98,856
Instructional staff support	37,696	36,723		36,723
Community services	1,555	1,555		1,555
Total Expenditures	152,566	151,593	14,459	137,134
Revenues in Excess of (Less Than) Expenses	\$ (57,566)	\$ (49,036)	\$ (476)	\$ 48,560
Net Position, End of Year	\$ (405)	\$ 8,125	\$ 56,685	

Explanation of significant budget variances:

Construction Fund

Construction revenues are higher than the final budget due to the sale of a bond in the current year, resulting in \$7.5 million in premiums on bonds sold and transfers from other funds are higher due to construction projects in process during the current year. Expenses exceeded budget due to the construction fund being a multi-year fund where project costs are expensed over several years and the Working Budget is programmed to show only single-year budgeted activity.

School Food Services

State revenues were up significantly as Kentucky districts received a stimulus that the state intended as a rescue of school lunch programs hurt by the COVID-19 pandemic. Federal grant revenues were lower due to continued lower numbers of meals served. Food service operation expenses were up slightly as a result of supply chain issues and food costs continuing to increase.

Building Tax Fund

Transfers to other funds were \$6 million over budget as the District spent the funding reserved in the prior year for renovation projects performed during the current fiscal year.

Debt Service Fund

Revenues and expenses exceeded budget due to a one-time principal payment on the 2022A bond supported by a General Fund tax set aside specifically for facility improvements. This allocation was made available after the budget was created.

Nonmajor proprietary funds

Prior year accumulated net position is carried forward with the budget, which is why there is a large swing in these funds' budget to actual variances.

See Report of Independent Auditors

Combining Balance Sheet – Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	Building Tax Fund	District Activity Funds	Student Activity Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents			\$ 6,630,383	\$ 6,630,383
Investments			501,134	501,134
Accounts receivable		\$ 50,280	35,129	85,409
Inventories			388,679	388,679
Due from other funds	\$ 4,299	5,734,238		5,738,537
Total Assets	\$ 4,299	\$ 5,784,518	\$ 7,555,325	\$ 13,344,142
Liabilities				
Accrued liabilities		\$ 225,683	\$ 102,558	\$ 328,241
Fund Balances				
Nonspendable			388,679	388,679
Restricted	\$ 4,299	5,558,835	7,064,088	12,627,222
Total Fund Balances	4,299	5,558,835	7,452,767	13,015,901
Total Liabilities and Fund Balances	\$ 4,299	\$ 5,784,518	\$ 7,555,325	\$ 13,344,142

See Report of Independent Auditors

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances – Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2023

	Building Tax Fund	SEEK Capital Outlay Fund	Debt Service Fund	District Activity Funds	Student Activity Funds	Total Nonmajor Governmental Funds
Revenues						
Local sources						
Property taxes	\$ 47,443,915					\$ 47,443,915
State sources						
SEEK program		\$ 8,775,318				8,775,318
KSFCC allocation			\$ 9,618,677			9,618,677
US government sources			1,986,762			1,986,762
Other Sources	100,464			\$ 4,640,086	\$ 13,189,066	17,929,616
Total Revenues	47,544,379	8,775,318	11,605,439	4,640,086	13,189,066	85,754,288
Expenditures						
Instruction				3,784,313	15,078,241	18,862,554
Plant operations and maintenance				55,982		55,982
Debt service						
Principal			60,146,721			60,146,721
Interest			22,900,022			22,900,022
Total Expenditures			83,046,743	3,840,295	15,078,241	101,965,279
Revenues in Excess of (Less Than) Expenditures	47,544,379	8,775,318	(71,441,304)	799,791	(1,889,175)	(16,210,991)
Other Financing Sources (Uses)						
Transfers in			71,441,304		1,820,373	73,261,677
Transfers out	(53,581,879)	(8,775,318)				(62,357,197)
Total Other Financing Sources (Uses)	(53,581,879)	(8,775,318)	71,441,304		1,820,373	10,904,480
Net Change in Fund Balances	(6,037,500)			799,791	(68,802)	(5,306,511)
Fund Balances, Beginning of Year	6,041,799			4,759,044	7,521,569	18,322,412
Fund Balances, End of Year	\$ 4,299			\$ 5,558,835	\$ 7,452,767	\$ 13,015,901

See Report of Independent Auditors

Combining Statement of Net Position – Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2023

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Preschool	Day Care Operations	
Assets					
Current Assets					
Cash and cash equivalents	\$ 319,692				\$ 319,692
Accounts receivable			\$ 10,260		10,260
Due from other funds		\$ 56,685	733,671	\$ 836,207	1,626,563
Total Current Assets	319,692	56,685	743,931	836,207	1,956,515
Deferred Outflows of Resources					
Difference between actual and expected experience	1,803			34	1,837
Changes in assumptions	4,337			72	4,409
Difference between projected and actual earnings on plan investments	2,741			49	2,790
Changes in proportionate share	8,265			141	8,406
Pension and OPEB contributions after measurement date	6,389			117	6,506
Total Deferred Outflows of Resources	23,535			413	23,948
Liabilities					
Current Liabilities					
Accrued liabilities				14,450	14,450
Due to other funds	17,086				17,086
Total Current Liabilities	17,086			14,450	31,536
Noncurrent Liabilities					
Unfunded pension liabilities	63,195			1,182	64,377
Unfunded post-employment benefits liabilities	25,169			426	25,595
Total Noncurrent Liabilities	88,364			1,608	89,972
Total Liabilities	105,450			16,058	121,508
Deferred Inflows of Resources					
Differences between actual and expected experience	7,847			128	7,975
Changes in assumptions	2,248				2,290
Changes in proportionate share	1,945			36	1,981
Total Deferred Inflows of Resources	12,040			206	12,246
Net Position					
Unrestricted	225,737	56,685	743,931	820,356	1,846,709
Total Net Position	\$ 225,737	\$ 56,685	\$ 743,931	\$ 820,356	\$ 1,846,709

See Report of Independent Auditors

Combining Statement of Revenues, Expenses and Changes in
Net Position – Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Preschool	Day Care Operations	
Operating Revenues					
Tuition and fees	\$ 80,094		\$ 243,453	\$ 14,921	\$ 338,468
Operating Expenses					
Salaries and personnel services	59,082	\$ 1,325		\$ 711	61,118
Employee benefits	18,046	36	(1,673)	73	16,482
Purchased professional services	5,042	6,561		27,986	39,589
Purchased property and maintenance services				739	739
Other purchased services	4,209			815	5,301
Supplies and materials	6,215	6,260	28,845	8,529	49,850
Property			4,883	14,933	19,816
Miscellaneous				790	790
Total Operating Expenses	92,594	14,459	32,055	54,577	193,685
Income (Loss) From Operations	(12,500)	(14,459)	211,398	(39,656)	144,783
Non-Operating Revenues (Expenses)					
State revenues	15,021	181		187,758	202,960
Other revenues		13,802			13,802
Interest income	11,831				11,831
Total Non-Operating Revenues (Expenses)	26,852	13,983		187,758	228,593
Change in Net Position	14,352	(476)	211,398	148,102	373,376
Net Position, Beginning of Year	211,385	57,161	532,533	672,254	1,473,333
Net Position, End of Year	\$ 225,737	\$ 56,685	\$ 743,931	\$ 820,356	\$ 1,846,709

See Report of Independent Auditors

Combining Statement of Cash Flows – Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2023

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Preschool	Day Care Operations	
Cash Flows From Operating Activities					
Cash received from customers	\$ 80,094	\$ 852	\$ 33,728	\$ (142,831)	\$ (28,157)
Cash paid to suppliers	(13,029)	(6,767)	(33,728)	(14,901)	(68,425)
Cash paid to employees	(86,114)	(1,507)		(1,250)	(88,871)
Cash paid for other expenses	(5,042)	(6,561)		(28,776)	(40,379)
Net Cash Provided by (Used in) Operating Activities	(24,091)	(13,983)		(187,758)	(225,832)
Cash Flows From Investing Activities					
Interest earned	11,831				11,831
Cash Flows from Noncapital Financing Activities					
Cash received for operational grants	15,021	13,983		187,758	216,762
Increase (Decrease) in Cash and Cash Equivalents	2,761				2,761
Cash and Cash Equivalents, Beginning of Year	316,931				316,931
Cash and Cash Equivalents, End of Year	<u>\$ 319,692</u>				<u>\$ 319,692</u>
Reconciliation of Income (loss) from Operations to Net Cash Provided by (Used in) Operating Activities					
Income (loss) from operations	\$ (12,500)	\$ (14,459)	\$ 211,398	\$ (39,656)	\$ 144,783
Adjustments to reconcile income (loss) from operations to cash provided by (used in) operating activities:					
Change in accounts receivable			1,523		1,523
Change in amounts due from other funds		852	(211,248)	(157,751)	(368,147)
Change in deferred outflows	(5,714)	46	484	13	(5,171)
Change in amounts due to other funds	(2,605)				(2,605)
Change in accrued liabilities		(230)		10,115	9,885
Change in deferred inflows	(10,272)	(80)	(795)	(379)	(11,526)
Change in unfunded pension liabilities	617		(310)	74	381
Change in unfunded post-employment benefits liabilities	6,383	(112)	(1,052)	(174)	5,045
Net Cash Provided by (Used in) Operating Activities	<u>\$ (24,091)</u>	<u>\$ (13,983)</u>		<u>\$ (187,758)</u>	<u>\$ (225,832)</u>

See Report of Independent Auditors

STATISTICAL SECTION

- 
- A young boy and girl are smiling together in a classroom setting. The boy is on the left, wearing a dark blue hoodie, and the girl is on the right, wearing a red polo shirt and a large, colorful bow in her hair. They are both looking towards the camera. The background shows blue chairs and a white table.
- **FINANCIAL TREND DATA**
 - **REVENUE CAPACITY DATA**
 - **DEBT CAPACITY DATA**
 - **DEMOGRAPHIC AND ECONOMIC INFORMATION**
 - **OPERATING INFORMATION**

Board of Education of Jefferson County, Kentucky

Statement of Net Position - Total Primary Government

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Net Position—Governmental					
Net investment in capital assets	\$ 430,126,787	\$ 453,726,798	\$ 390,804,563	\$ 391,290,718	\$ 317,513,387
Restricted	84,679,016	9,236,656	37,931,143	49,382,505	108,849,948
Unrestricted	(476,534,599)	(538,918,507)	(789,321,833)	(815,433,064)	(798,527,587)
Total Net Position—Governmental	38,271,204	(75,955,053)	(360,586,127)	(374,759,841)	(372,164,252)
Net Position—Proprietary					
Net investment in capital assets	15,735,059	16,520,839	17,880,919	18,766,848	19,426,763
Restricted					
Unrestricted	(60,626,055)	(56,142,218)	(70,020,515)	(58,942,282)	(43,776,173)
Total Net Position—Proprietary	(44,890,996)	(39,621,379)	(52,139,596)	(40,175,434)	(24,349,410)
Net Position—Total Primary Government	\$ (6,619,792)	\$ (115,576,432)	\$ (412,725,723)	\$ (414,935,275)	\$ (396,513,662)

Continued

Statement of Net Position - Total Primary Government – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Net Position—Governmental					
Net investment in capital assets	\$ 332,102,798	\$ 257,181,853	\$ 220,528,391	\$ 238,955,851	\$ 239,644,360
Restricted	7,214,591	98,476,559	47,703,418	12,434,324	7,061,287
Unrestricted	(638,516,160)	(613,519,116)	(570,364,032)	(538,173,679)	(539,172,442)
Total Net Position—Governmental	(299,198,771)	(257,860,704)	(302,132,223)	(286,783,504)	(292,466,795)
Net Position—Proprietary					
Net investment in capital assets	18,613,750	18,266,563	17,407,358	16,825,680	16,617,456
Restricted					
Unrestricted	(40,830,969)	(33,574,071)	(10,804,307)	(9,815,795)	(8,919,629)
Total Net Position—Proprietary	(22,217,219)	(15,307,508)	6,603,051	7,009,885	7,697,827
Net Position—Total Primary Government	<u>\$ (321,415,990)</u>	<u>\$ (273,168,212)</u>	<u>\$ (295,529,172)</u>	<u>\$ (279,773,619)</u>	<u>\$ (284,768,968)</u>

Board of Education of Jefferson County, Kentucky

Statement of Activities – Governmental Activities

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Governmental activities					
Instruction	\$ 909,793,002	\$ 1,023,426,169	\$ 944,387,244	\$ 842,004,783	\$ 864,509,475
Student support services	101,936,000	107,196,262	88,749,846	77,156,556	69,122,283
Instructional staff support services	161,846,403	193,879,118	180,993,573	158,415,899	184,473,830
District administrative support services	11,536,924	11,805,819	10,222,935	9,945,307	9,417,079
School administrative support services	120,055,049	136,540,514	123,139,817	117,806,382	127,163,050
Business support services	71,290,737	67,673,427	50,311,515	58,354,230	65,847,780
Community services	12,115,637	12,995,156	18,342,055	14,013,430	28,399,457
Transportation	84,271,519	95,234,280	85,005,627	99,810,412	124,412,708
Plant operations and maintenance	144,360,757	158,273,844	111,513,734	116,274,445	118,239,225
Other instructional support services		21,637	22,631	20,340	64,987
Transfers	(1,234,936)	(1,529,187)	(811,842)	3,057,374	3,067,836
Miscellaneous	1,538,368	5,742,411	15,672,270	468,918	539,714
Interest expense	22,900,022	20,268,424	18,860,600	18,418,910	16,106,729
Total governmental activities	1,640,409,482	1,831,527,874	1,646,410,005	1,515,746,986	1,611,364,153
Program Revenues					
Tuition	508,243	518,928	483,205	494,442	508,252
Operating grants	260,776,646	381,798,766	167,393,988	87,494,202	83,432,587
Facility grants	9,618,677	9,617,566	9,878,203	10,257,913	10,982,285
Total program revenues	270,903,566	391,935,260	177,755,396	98,246,557	94,923,124
Net expense	<u>\$ (1,369,505,916)</u>	<u>\$ (1,439,592,614)</u>	<u>\$ (1,468,654,609)</u>	<u>\$ (1,417,500,429)</u>	<u>\$ (1,516,441,029)</u>

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Governmental Activities – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Governmental activities					
Instruction	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975	\$ 633,177,394
Student support services	66,627,124	63,459,349	58,812,027	60,064,328	50,729,048
Instructional staff support services	191,939,436	241,610,652	187,114,423	133,254,466	118,955,171
District administrative support services	8,792,408	8,409,278	7,872,803	7,711,286	6,972,822
School administrative support services	108,309,775	107,624,194	99,473,707	94,277,648	84,150,967
Business support services	70,521,907	90,097,373	81,828,482	33,236,652	38,844,491
Community services	26,377,760	33,835,506	25,466,326	16,012,870	9,134,416
Transportation	158,063,796	131,587,727	89,762,735	87,973,527	84,374,237
Plant operations and maintenance	118,322,852	109,198,091	110,347,315	108,222,195	103,975,188
Other instructional support services	60,065	32,859	31,660	34,945	10,000
Transfers	3,054,027	3,099,486	3,099,316	3,116,640	3,019,304
Miscellaneous	21,617	282,916	349,122	466,078	553,066
Interest expense	17,204,330	16,139,220	16,116,139	16,244,178	14,825,786
Total governmental activities	1,618,189,819	1,586,816,060	1,422,568,130	1,289,934,788	1,148,721,890
Program Revenues					
Tuition	479,270	393,452	647,118	586,509	902,489
Operating grants	103,181,009	105,014,680	105,081,380	99,577,458	104,010,029
Facility grants	10,808,651	9,709,125	9,449,764	8,171,637	7,638,789
Total program revenues	114,468,930	115,117,257	115,178,262	108,335,604	112,551,307
Net expense	<u>\$ (1,503,720,889)</u>	<u>\$ (1,471,698,803)</u>	<u>\$ (1,307,389,868)</u>	<u>\$ (1,181,599,184)</u>	<u>\$ (1,036,170,583)</u>

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Governmental Activities – Continued

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Net expense	\$ (1,369,505,916)	\$ (1,439,592,614)	\$ (1,468,654,609)	\$ (1,417,500,429)	\$ (1,516,441,029)
General revenues					
Taxes					
Property taxes	627,463,151	594,308,658	530,248,112	502,604,410	480,070,360
Occupational taxes	206,342,623	206,474,525	176,787,809	156,348,315	165,754,818
Other taxes	74,667,834	106,915,232	63,516,855	54,014,453	56,671,549
State sources					
SEEK program	233,759,766	233,088,270	231,277,657	234,116,356	256,564,394
Other state revenues and grants	284,154,741	555,341,767	466,477,021	434,461,333	455,839,757
Interest and investment earnings	21,214,511	833,179	330,027	4,786,365	7,473,913
Miscellaneous	36,129,547	27,262,057	14,190,842	28,573,608	21,100,757
Total general revenues	1,483,732,173	1,724,223,688	1,482,828,323	1,414,904,840	1,443,475,548
Change in net position	114,226,257	284,631,074	14,173,714	(2,595,589)	(72,965,481)
Net position, beginning of year	(75,955,053)	(360,586,127)	(374,759,841)	(372,164,252)	(299,198,771)
Net position, end of year	\$ 38,271,204	\$ (75,955,053)	\$ (360,586,127)	\$ (374,759,841)	\$ (372,164,252)

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Governmental Activities – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Net expense	\$ (1,503,720,889)	\$ (1,471,698,803)	\$ (1,307,389,868)	\$ (1,181,599,184)	\$ (1,036,170,583)
General revenues					
Taxes					
Property taxes	456,911,397	432,706,453	416,365,932	397,722,644	388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state revenues and grants	512,980,545	583,777,579	383,488,212	311,578,993	196,206,023
Interest and investment earnings	3,284,271	2,347,241	1,677,255	1,389,755	1,663,952
Miscellaneous	16,463,425	19,899,924	15,948,120	10,240,231	10,032,096
Total general revenues	1,462,382,822	1,515,970,322	1,292,041,149	1,187,282,475	1,046,259,130
Change in net position	(41,338,067)	44,271,519	(15,348,719)	5,683,291	10,088,547
Net position, beginning of year	(257,860,704)	(302,132,223)	(286,783,504)	(292,466,795)	(302,555,342)
Net position, end of year	\$ (299,198,771)	\$ (257,860,704)	\$ (302,132,223)	\$ (286,783,504)	\$ (292,466,795)

Board of Education of Jefferson County, Kentucky

Statement of Activities – Business-Type Activities

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Business-type activities					
School food services	\$ 84,104,750	\$ 58,259,707	\$ 45,091,851	\$ 77,606,712	\$ 72,200,866
Adult education	92,594	65,346	170,977	204,046	171,152
Enterprise programs	14,459	11,674	75,949	157,228	141,308
Tuition-based pre-school	32,055	(1,364)	(648,751)	451,880	707,730
Day care operations	54,577	74,925	(39,664)	130,385	(435,894)
Total business-type activities	84,298,435	58,410,288	44,650,362	78,550,251	72,785,162
Program Revenues					
Lunchroom sales	2,175,391	697,576	29,248	2,325,026	3,023,797
Tuition and fees	338,468	278,855	156,180	714,674	990,066
Grants	77,514,086	71,470,824	33,311,123	56,531,963	63,395,302
Total program revenues	80,027,945	72,447,255	33,496,551	59,571,663	67,409,165
Net expense	(4,270,490)	14,036,967	(11,153,811)	(18,978,588)	(5,375,997)
General revenues					
Interest	235,809	10,437	1,491	95,190	175,970
Transfers	(1,234,936)	(1,529,187)	(811,842)	3,057,374	3,067,836
Total general revenues	(999,127)	(1,518,750)	(810,351)	3,152,564	3,243,806
Change in net position	(5,269,617)	12,518,217	(11,964,162)	(15,826,024)	(2,132,191)
Net position, beginning of year	(39,621,379)	(52,139,596)	(40,175,434)	(24,349,410)	(22,217,219)
Net position, end of year	\$ (44,890,996)	\$ (39,621,379)	\$ (52,139,596)	\$ (40,175,434)	\$ (24,349,410)

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Business-Type Activities – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Business-type activities					
School food services	\$ 76,915,589	\$ 90,450,953	\$ 68,262,191	\$ 62,724,047	\$ 57,940,891
Adult education	168,158	193,589	260,184	568,257	479,264
Enterprise programs	157,129	142,516	156,576	97,329	97,470
Tuition-based pre-school	1,097,840	1,317,912	885,771	785,927	721,285
Day care operations	237,015	652,491	428,715	480,892	712,447
Total business-type activities	78,575,731	92,757,461	69,993,437	64,656,452	59,951,357
Program Revenues					
Lunchroom sales	3,004,729	3,685,798	4,031,184	5,929,215	8,115,697
Tuition and fees	1,167,663	1,250,197	1,130,336	1,191,051	1,184,280
Grants	64,335,594	62,744,604	61,296,869	53,716,102	45,615,744
Total program revenues	68,507,986	67,680,599	66,458,389	60,836,368	54,915,721
Net expense	(10,067,745)	(25,076,862)	(3,535,048)	(3,820,084)	(5,035,636)
General revenues					
Interest	104,007	66,817	28,898	15,502	19,302
Transfers	3,054,027	3,099,486	3,099,316	3,116,640	3,019,304
Total general revenues	3,158,034	3,166,303	3,128,214	3,132,142	3,038,606
Change in net position	(6,909,711)	(21,910,559)	(406,834)	(687,942)	(1,997,030)
Net position, beginning of year	(15,307,508)	6,603,051	7,009,885	7,697,827	9,694,857
Net position, end of year	\$ (22,217,219)	\$ (15,307,508)	\$ 6,603,051	\$ 7,009,885	\$ 7,697,827

Board of Education of Jefferson County, Kentucky

Statement of Activities – Total Primary Government

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Primary government activities					
Instruction	\$ 909,793,002	\$ 1,023,426,169	\$ 944,387,244	\$ 842,004,783	\$ 864,509,475
Student support services	101,936,000	107,196,262	88,749,846	77,156,556	69,122,283
Instructional staff support services	161,846,403	193,879,118	180,993,573	158,415,899	184,473,830
District administrative support services	11,536,924	11,805,819	10,222,935	9,945,307	9,417,079
School administrative support services	120,055,049	136,540,514	123,139,817	117,806,382	127,163,050
Business support services	71,290,737	67,673,427	50,311,515	58,354,230	65,847,780
Community services	12,115,637	12,995,156	18,342,055	14,013,430	28,399,457
Transportation	84,271,519	95,234,280	85,005,627	99,810,412	124,412,708
Plant operations and maintenance	144,360,757	158,273,844	111,513,734	116,274,445	118,239,225
Other	842,183	1,102,962	356,108	489,258	604,701
School food services	84,800,935	62,920,793	60,430,645	77,606,712	72,200,866
Adult education	92,594	65,346	170,977	204,046	171,152
Enterprise programs	14,459	11,674	75,950	157,228	141,308
Tuition-based pre-school	32,055	(1,364)	(648,751)	451,880	707,730
Day care operations	54,577	74,925	(39,665)	130,385	(435,894)
Interest expense	22,900,022	20,268,424	18,860,600	18,418,910	16,106,729
Total primary activities	1,725,942,853	1,891,467,349	1,691,872,210	1,591,239,863	1,681,081,479
Program revenues					
Lunchroom sales	2,175,391	697,576	29,248	2,325,026	3,023,797
Tuition and fees	846,711	797,783	639,385	1,209,116	1,498,318
Grants	347,909,409	462,887,156	210,583,315	154,284,078	157,810,174
Total program revenues	350,931,511	464,382,515	211,251,948	157,818,220	162,332,289
Net expense	\$ (1,375,011,342)	\$ (1,427,084,834)	\$ (1,480,620,262)	\$ (1,433,421,643)	\$ (1,518,749,190)

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Total Primary Government – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Primary government activities					
Instruction	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975	\$ 633,177,394
Student support services	66,627,124	63,459,349	58,812,027	60,064,328	50,729,048
Instructional staff support services	191,939,436	241,610,652	187,114,423	133,254,466	118,955,171
District administrative support services	8,792,408	8,409,278	7,872,803	7,711,286	6,972,822
School administrative support services	108,309,775	107,624,194	99,473,707	94,277,648	84,150,967
Business support services	70,521,907	90,097,373	81,828,482	33,236,652	38,844,491
Community services	26,377,760	33,835,506	25,466,326	16,012,870	9,134,416
Transportation	158,063,796	131,587,727	89,762,735	87,973,527	84,374,237
Plant operations and maintenance	118,322,852	109,198,091	110,347,315	108,222,195	103,975,188
Other	81,682	315,775	380,782	501,023	563,066
School food services	76,915,589	90,450,953	68,262,191	62,724,047	57,940,891
Adult education	168,158	193,589	260,184	568,257	479,264
Enterprise programs	157,129	142,516	156,576	97,329	97,470
Tuition-based pre-school	1,097,840	1,317,912	885,771	785,927	721,285
Day care operations	237,015	652,491	428,715	480,892	712,447
Interest expense	17,204,330	16,139,220	16,116,139	16,244,178	14,825,786
Total primary activities	1,693,711,523	1,676,474,035	1,489,462,251	1,351,474,600	1,205,653,943
Program revenues					
Lunchroom sales	3,004,729	3,685,798	4,031,184	5,929,215	8,115,697
Tuition and fees	1,646,933	1,643,649	1,777,454	1,777,560	2,086,769
Grants	178,325,254	177,468,409	175,828,013	161,465,197	157,264,562
Total program revenues	182,976,916	182,797,856	181,636,651	169,171,972	167,467,028
Net expense	<u>\$ (1,510,734,607)</u>	<u>\$ (1,493,676,179)</u>	<u>\$ (1,307,825,600)</u>	<u>\$ (1,182,302,628)</u>	<u>\$ (1,038,186,915)</u>

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Total Primary Government – Continued

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Net expense	\$ (1,375,011,342)	\$ (1,427,084,834)	\$ (1,480,620,262)	\$ (1,433,421,643)	\$ (1,518,749,190)
General revenues					
Taxes					
Property taxes	627,463,151	594,308,658	530,248,112	502,604,410	480,070,360
Occupational taxes	206,342,623	206,474,525	176,787,809	156,348,315	165,754,818
Other taxes	74,667,834	106,915,232	63,516,855	54,014,453	56,671,549
State sources					
SEEK program	233,759,766	233,088,270	231,277,657	234,116,356	256,564,394
Other state revenues	284,154,741	555,341,767	466,477,021	434,461,333	455,839,757
Interest and investment earnings	21,450,320	843,616	331,518	4,881,555	7,649,883
Miscellaneous	36,129,547	27,262,057	14,190,842	28,573,608	21,100,757
Total general revenues	1,483,967,982	1,724,234,125	1,482,829,814	1,415,000,030	1,443,651,518
Change in net position	108,956,640	297,149,291	2,209,552	(18,421,613)	(75,097,672)
Net position, beginning of year	(115,576,432)	(412,725,723)	(414,935,275)	(396,513,662)	(321,415,990)
Net position, end of year	<u>\$ (6,619,792)</u>	<u>\$ (115,576,432)</u>	<u>\$ (412,725,723)</u>	<u>\$ (414,935,275)</u>	<u>\$ (396,513,662)</u>

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities – Total Primary Government – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Net expense	\$ (1,510,734,607)	\$ (1,493,676,179)	\$ (1,307,825,600)	\$ (1,182,302,628)	\$ (1,038,186,915)
General revenues					
Taxes					
Property taxes	456,911,397	432,706,453	416,365,932	397,722,644	388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state revenues	512,980,545	583,777,579	383,488,212	311,578,993	196,206,023
Interest and investment earnings	3,388,278	2,414,058	1,706,153	1,405,257	1,683,254
Miscellaneous	16,463,425	19,899,924	15,948,120	10,240,231	10,032,096
Total general revenues	1,462,486,829	1,516,037,139	1,292,070,047	1,187,297,977	1,046,278,432
Change in net position	(48,247,778)	22,360,960	(15,755,553)	4,995,349	8,091,517
Net position, beginning of year	(273,168,212)	(295,529,172)	(279,773,619)	(284,768,968)	(292,860,485)
Net position, end of year	<u>\$ (321,415,990)</u>	<u>\$ (321,415,990)</u>	<u>\$ (295,529,172)</u>	<u>\$ (279,773,619)</u>	<u>\$ (284,768,968)</u>

Board of Education of Jefferson County, Kentucky

Balance Sheets – Governmental Funds

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Assets					
Cash and investments	\$ 650,589,513	\$ 531,341,486	\$ 319,947,620	\$ 309,534,145	\$ 327,791,345
Accounts and grants receivable	88,341,507	61,057,760	53,850,968	32,124,286	41,527,426
Prepaid expenditures			1,200,000		2,423,932
Inventories	5,486,277	3,845,950	4,972,608	3,613,216	3,324,186
Due from other funds	202,876,769	159,186,531	124,072,584	111,823,383	121,012,589
Total Assets	\$ 947,294,066	\$ 755,431,727	\$ 504,043,780	\$ 457,095,030	\$ 496,079,478
Liabilities					
Accrued liabilities	\$ 169,848,847	\$ 150,324,873	\$ 144,857,329	\$ 124,595,791	\$ 136,245,944
Due to other funds	202,761,438	150,885,786	113,609,966	104,624,399	107,049,722
Total Liabilities	372,610,285	301,210,659	258,467,295	229,220,190	243,295,666
Fund Balances					
Nonspendable	5,486,277	3,845,950	6,172,608	3,613,216	5,460,600
Restricted					
Capital Projects & Special Revenue Fund	136,041,768	93,179,006	83,202,728	103,870,057	97,624,465
Nonmajor Governmental Funds	12,627,222	18,092,307	10,379,429	29,047,895	23,368,618
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Assigned, General Fund	57,647,612	25,081,718	27,039,251	32,748,001	16,244,256
Unassigned, General Fund	326,880,902	278,022,087	82,782,469	22,595,671	74,085,873
Total Fund Balances	574,683,781	454,221,068	245,576,485	227,874,840	252,783,812
Total Liabilities and Fund Balances	\$ 947,294,066	\$ 755,431,727	\$ 504,043,780	\$ 457,095,030	\$ 496,079,478

Continued

Board of Education of Jefferson County, Kentucky

Balance Sheets – Governmental Funds – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Assets					
Cash and investments	\$ 308,987,719	\$ 363,476,682	\$ 284,375,743	\$ 276,582,060	\$ 305,860,390
Accounts and grants receivable	35,188,994	33,293,705	73,660,969	37,762,695	32,898,857
Prepaid expenditures	3,202,317	3,048,750	3,149,580	4,203,103	4,556,994
Inventories	3,197,796	3,221,436	3,462,986	3,992,197	4,623,166
Due from other funds	133,328,815	134,756,547	128,054,736	129,948,408	110,049,883
Total Assets	\$ 483,905,641	\$ 537,797,120	\$ 492,704,014	\$ 452,488,463	\$ 457,989,290
Liabilities					
Accrued liabilities	\$ 138,516,380	\$ 134,584,582	\$ 114,393,488	\$ 104,691,277	\$ 110,401,094
Due to other funds	127,964,466	129,600,827	123,038,113	124,267,169	103,504,919
Total Liabilities	266,480,846	264,185,409	237,431,601	228,958,446	213,906,013
Fund Balances					
Nonspendable	6,113,779	5,982,668	6,325,049	7,907,782	8,892,642
Restricted					
Capital Projects & Special Revenue Fund	46,860,175	97,632,001	92,548,558	86,087,451	100,950,255
Nonmajor Governmental Funds	29,017,136	22,163,113	29,748,282	18,234,685	23,052,462
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Assigned, General Fund	15,843,169	17,338,950	18,887,348	17,456,000	8,737,485
Unassigned, General Fund	83,590,536	94,494,979	71,763,176	57,844,099	66,450,433
Total Fund Balances	217,424,795	273,611,711	255,272,413	223,530,017	244,083,277
Total Liabilities and Fund Balances	\$ 483,905,641	\$ 537,797,120	\$ 492,704,014	\$ 452,488,463	\$ 457,989,290

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Revenues					
Local sources					
Property taxes	\$ 627,463,151	\$ 594,308,658	\$ 530,248,112	\$ 502,604,410	\$ 480,070,360
Occupational taxes	206,342,623	206,474,525	176,787,809	156,348,315	165,754,818
Other taxes	74,667,834	106,915,232	63,516,855	54,014,453	56,671,549
Grants from local agencies and donors	13,365,388	5,217,631	3,496,477	3,429,761	4,216,634
State sources					
SEEK program	233,759,766	233,088,270	231,277,657	234,116,356	256,564,394
Other state resources	472,560,738	371,572,407	369,100,158	366,710,242	346,822,857
Grants	247,411,258	376,581,135	163,897,511	84,064,441	79,215,953
Interest	21,214,511	833,179	330,027	4,786,365	7,473,913
Other sources	23,353,200	19,770,433	25,035,352	28,672,444	18,036,912
Total Revenues	1,920,138,469	1,914,761,470	1,563,689,958	1,434,746,787	1,414,827,390
Expenditures					
Instruction	966,975,857	909,687,365	829,625,034	785,031,827	763,641,366
Student support services	115,454,042	100,581,583	87,150,824	76,482,424	68,161,539
Instructional staff support services	183,309,965	181,917,323	149,690,833	150,231,095	140,842,072
District administrative support services	9,888,305	8,775,830	7,417,507	7,508,254	6,814,225
School administrative support services	135,976,373	128,116,349	118,604,248	115,548,045	115,027,172
Business support services	80,709,961	63,469,064	46,446,098	52,741,427	45,822,235
services	14,450,537	17,057,896	26,169,664	10,643,474	11,083,836
Transportation	89,611,027	83,808,103	68,093,453	85,493,451	89,192,089

Continued

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
– Continued**

Ten Years' Trend Data

	2023	2022	2021	2020	2019
Expenditures—continued					
Plant operations and maintenance	\$ 162,311,198	\$ 147,494,935	\$ 110,961,638	\$ 116,158,197	\$ 117,438,367
Other instructional support services	33,063	20,302	22,631	20,340	64,987
Building renovations	103,907,406	104,094,794	73,247,112	63,116,051	54,170,060
Other	920,807	471,030	8,868,088	2,944,210	2,785,186
Debt service					
Principal	60,146,721	36,338,627	36,235,188	33,245,188	35,151,226
Interest	22,900,022	20,268,424	18,791,141	18,100,298	16,569,151
Total Expenditures	1,946,595,284	1,802,101,625	1,581,323,459	1,517,264,281	1,466,763,511
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues	145,684,592	94,455,551	38,324,988	57,608,522	90,362,974
Transfers to Proprietary Funds	(2,965,253)	(3,002,495)			
Transfers from Proprietary Funds	4,200,189	4,531,682			
Transfers in	125,078,268	86,205,468	62,140,257	52,169,348	56,942,430
Transfers out	(125,078,268)	(86,205,468)	(62,140,257)	(52,169,348)	(60,010,266)
Total Other Financing Sources (Uses)	146,919,528	95,984,738	35,335,146	57,608,522	87,295,138
Net Change in Fund Balances	120,462,713	208,644,583	17,701,645	(24,908,972)	35,359,017
Fund Balances, Beginning of Year	454,221,068	245,576,485	227,874,840	252,783,812	217,424,795
Fund Balances, End of Year	\$ 574,683,781	\$ 454,221,068	\$ 245,576,485	\$ 227,874,840	\$ 252,783,812
Ratio of total debt service expenditures to total noncapital expenditures	0.039	0.040	0.039	0.038	0.040

Continued

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Revenues					
Local sources					
Property taxes	\$ 456,911,397	\$ 432,706,453	\$ 416,365,932	\$ 397,722,644	\$ 388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
Grants from local agencies and donors	12,003,218	10,059,989	9,339,816	8,435,955	9,881,427
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state resources	344,927,246	240,938,705	237,803,654	229,841,535	203,844,812
Grants	91,177,791	94,954,691	95,633,844	91,141,503	94,128,602
Interest	3,284,271	2,347,241	1,677,255	1,389,755	1,663,952
Other sources	19,512,719	16,260,224	16,611,172	11,654,931	10,814,937
Total Revenues	1,400,559,826	1,274,506,428	1,251,993,303	1,206,537,175	1,158,690,789
Expenditures					
Instruction	754,517,489	659,163,029	651,704,411	626,202,625	599,752,771
Student support services	66,023,129	59,507,080	56,468,739	53,898,592	50,904,421
Instructional staff support services	155,224,231	137,792,548	133,813,433	136,595,787	125,814,940
District administrative support services	5,881,645	5,205,114	4,621,076	4,074,121	3,643,083
School administrative support services	98,562,871	87,953,654	86,072,917	86,706,811	85,727,500
Business support services	49,830,447	43,508,006	41,900,407	40,124,691	42,730,714
Community and food services	10,176,026	9,673,052	9,705,648	9,785,799	9,605,723
Transportation	89,313,077	80,102,175	76,843,087	80,815,562	85,953,279

Continued

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Expenditures—continued					
Plant operations and maintenance	\$ 118,046,299	\$ 108,680,821	\$ 109,856,870	\$ 107,834,439	\$ 103,957,976
Other instructional support services	60,065	32,859	31,660	27,404	10,000
Building renovations	52,752,999	49,013,775	54,066,235	47,130,013	48,640,389
Other	2,606,701	2,771,607	3,276,200	3,475,119	3,358,550
Debt service					
Principal	34,001,290	31,116,591	30,255,122	29,914,485	34,623,248
Interest	16,696,446	16,323,732	16,461,930	16,034,197	15,265,077
Total Expenditures	1,453,692,715	1,290,844,043	1,275,077,735	1,242,619,645	1,209,987,671
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues		37,776,399	57,926,144	18,645,850	78,820,133
Transfers to Proprietary Funds					
Transfers from Proprietary Funds					
Transfers in	43,815,290	55,738,987	41,506,086	53,480,763	77,555,249
Transfers out	(46,869,317)	(58,838,473)	(44,605,402)	(56,597,403)	(80,574,553)
Total Other Financing Sources (Uses)	(3,054,027)	34,676,913	54,826,828	15,529,210	75,800,829
Net Change in Fund Balances	(56,186,916)	18,339,298	31,742,396	(20,553,260)	24,503,947
Fund Balances, Beginning of Year	273,611,711	255,272,413	223,530,017	244,083,277	219,579,330
Fund Balances, End of Year	\$ 217,424,795	\$ 273,611,711	\$ 255,272,413	\$ 223,530,017	\$ 244,083,277
Ratio of total debt service expenditures to total noncapital expenditures	0.039	0.041	0.039	0.048	0.045

Board of Education of Jefferson County, Kentucky

General Government Expenses by Function¹

Ten Years' Trend Data

	Instruction	Student Support Services	Instructional Staff Support Services	District Administrative Support Services	School Administrative Support Services	Business Support Services	Community Services	Transportation	Plant Operations and Maintenance
2023	\$ 909,793,002	\$ 101,936,000	\$ 161,846,403	\$ 11,536,924	\$ 120,055,049	\$ 71,290,737	\$ 12,115,637	\$ 84,271,519	\$ 144,360,757
2022	1,023,426,169	107,196,262	193,879,118	11,805,819	136,540,514	67,673,427	12,995,156	95,234,280	158,273,844
2021	944,387,244	88,749,846	180,993,573	10,222,935	123,139,817	50,311,515	18,342,055	85,005,627	111,513,734
2020	842,004,783	77,156,556	158,415,899	9,945,307	117,806,382	58,354,230	14,013,430	99,810,412	116,274,445
2019	864,509,475	69,122,283	184,473,830	9,417,079	127,163,050	65,847,780	28,399,457	124,412,708	118,239,225
2018	848,894,722	66,627,124	191,939,436	8,792,408	108,309,775	70,521,907	26,377,760	158,063,796	118,322,852
2017	781,439,409	63,459,349	241,610,652	8,409,278	107,624,194	90,097,373	33,835,506	131,587,727	109,198,091
2016	742,294,075	58,812,027	187,114,423	7,872,803	99,473,707	81,828,482	25,466,326	89,762,735	110,347,315
2015	729,319,975	60,064,328	133,254,466	7,711,286	94,277,648	33,236,652	16,012,870	87,973,527	108,222,195
2014	633,177,394	50,729,048	118,955,171	6,972,822	84,150,967	38,844,491	9,134,416	84,374,237	103,975,188

	Other Instructional Support Services		School Food Services	Adult Education	Enterprise Programs	Tuition-based Pre-school	Daycare Operations	Total	
	Other	Interest							
2023	\$ 842,183	\$ 22,900,022	\$ 84,800,935	\$ 92,594	\$ 14,459	\$ 32,055	\$ 54,577	\$ 1,725,942,853	
2022	1,102,962	20,268,424	62,920,793	65,346	11,674	(1,364)	74,925	1,891,467,349	
2021	15,694,901	18,860,600	45,091,852	170,977	75,950	(648,751)	(39,665)	1,691,872,210	
2020	489,258	18,418,910	77,606,712	204,046	157,228	451,880	130,385	1,591,239,863	
2019	604,701	16,106,729	72,200,866	171,152	141,308	707,730	(435,894)	1,681,081,479	
2018	81,682	17,204,330	76,915,589	168,158	157,129	1,097,840	237,015	1,693,711,523	
2017	315,775	16,139,220	90,450,953	193,589	142,516	1,317,912	652,491	1,676,474,035	
2016	380,782	16,116,139	68,262,191	260,184	156,576	885,771	428,715	1,489,462,251	
2015	501,023	16,244,178	62,724,047	568,257	97,329	785,927	480,892	1,351,474,600	
2014	\$ 10,000	563,066	14,825,786	57,940,891	479,264	97,470	721,285	712,447	1,205,663,943

¹ General government includes all governmental and enterprise funds.

Board of Education of Jefferson County, Kentucky

General Government Revenues by Type¹

Ten Years' Trend Data

	Charges for Service	Grants & Contributions	Property Taxes	Occupational Taxes	Other Taxes
2023	\$ 3,022,102	\$ 347,909,409	\$ 627,463,151	\$ 206,342,623	\$ 74,667,834
2022	1,495,359	462,887,156	594,308,658	206,474,525	106,915,232
2021	668,633	210,583,315	530,248,112	176,787,809	63,516,855
2020	3,534,142	154,284,078	502,604,410	156,348,315	54,014,453
2019	4,522,115	157,810,174	480,070,360	165,754,818	56,671,549
2018	4,651,662	178,325,254	456,911,397	162,374,610	53,658,834
2017	5,329,447	177,468,409	432,706,453	156,387,646	51,729,620
2016	5,808,638	175,828,013	416,365,932	151,821,629	47,796,163
2015	7,706,775	161,465,197	397,722,644	139,825,242	49,482,553
2014	10,202,466	157,264,562	388,628,855	132,569,312	46,500,119

	SEEK State Revenues	Other State Revenues	Interest Income	Other Revenues	Total
2023	\$ 233,759,766	\$ 284,154,741	\$ 21,450,320	\$ 36,129,547	\$ 1,834,899,493
2022	233,088,270	555,341,767	843,616	27,262,057	2,188,616,640
2021	231,277,657	466,477,021	331,518	14,190,842	1,694,081,762
2020	234,116,356	434,461,333	4,881,555	28,573,608	1,572,818,250
2019	256,564,394	455,839,757	7,649,883	21,100,757	1,605,983,807
2018	256,709,740	512,980,545	3,388,278	16,463,425	1,645,463,745
2017	269,121,859	583,777,579	2,414,058	19,899,924	1,698,834,995
2016	274,943,838	383,488,212	1,706,153	15,948,120	1,473,706,698
2015	277,043,057	311,578,993	1,405,257	10,240,231	1,356,469,949
2014	270,658,773	196,206,023	1,683,254	10,032,096	1,213,745,460

¹ General government includes all governmental and enterprise funds.

Property Tax Rates

Ten Years' Trend Data

	Real Estate¹	Tangible Property¹	Motor Vehicle¹	Weighted Average Tax Rates¹
2023	76.3	76.8	58.5	74.8
2022	79.6	79.6	58.5	78.2
2021	80.6	80.6	58.5	79.0
2020	73.6	73.6	58.5	70.7
2019	72.5	72.5	58.5	71.5
2018	70.4	70.4	58.5	70.0
2017	70.8	71.0	58.5	69.9
2016	71.0	71.0	58.5	70.1
2015	71.0	71.0	58.5	69.2
2014	71.0	71.0	58.5	69.2

Real estate & personal property taxes are the District's largest revenue source. Each year's tax rates are approved in September by vote of the elected Board of Education. Statutorily, rates may not be raised to an extent that total revenues are increased by 4% or the tax is subject to referendum.

¹ Cents per \$100 assessment

Board of Education of Jefferson County, Kentucky

Real Estate and Personal Property Tax Revenues

Ten Years' Trend Data

	Amount Levied	Collections as of the End of the Levy Year	Levy Year Percent	Omitted and Delinquent Tax Revenue	Total Tax Revenue Received During Fiscal Year	Total Percent
2023	\$ 679,274,397	\$ 645,624,845	95.0 %	\$ 13,328,286	\$ 658,953,131	97.0 %
2022	643,990,091	611,503,351	95.0 %	48,964,773	660,468,124	102.6 %
2021	571,206,069	544,761,795	95.4 %	12,040,502	556,802,297	97.5 %
2020	543,290,378	515,985,211	95.0 %	9,183,568	525,168,779	96.7 %
2019	516,657,825	492,745,653	95.4 %	12,269,041	505,014,694	97.7 %
2018	495,210,128	468,396,336	94.6 %	10,892,385	479,288,721	96.8 %
2017	464,203,005	443,500,395	95.5 %	9,968,631	453,469,026	97.7 %
2016	447,424,580	425,810,369	95.2 %	9,753,569	435,563,938	97.3 %
2015	427,603,120	406,858,768	95.1 %	11,523,771	418,382,539	97.8 %
2014	417,767,614	396,380,679	94.9 %	11,872,790	408,253,469	97.7 %

Tax collections consist of property taxes and franchise taxes. These revenues are split between General Fund and Building Tax Fund in the Financial Section, where franchise taxes are included with Other Taxes.

Omitted and delinquent taxes are remitted to the District when collected by our tax collection agencies. These collections are not identified by year, occasionally resulting in the percent of collections exceeding 100%.

Board of Education of Jefferson County, Kentucky

Property Tax Assessments

Ten Years' Trend Data

	Real Estate	Tangible Property	Franchise	Motor Vehicle	Distilled Spirits	Total Assessed Value	Estimated Actual Value	Weighted Average Tax Rate Applied to Assessments (cents per \$100 assessment)
2023	\$ 78,479,612,653	\$ 6,086,224,037	\$ 3,485,307,658	\$ 6,583,773,575	\$ 252,912,572	\$ 94,887,830,495	\$ 94,887,830,495	75.12
2022	71,098,214,497	5,458,828,137	3,172,778,255	5,789,431,042	256,182,196	85,775,434,127	85,775,434,127	78.18
2021	66,800,455,676	5,118,571,261	2,892,140,795	5,797,471,887	259,276,546	80,867,916,165	80,867,916,165	79.02
2020	65,141,054,707	5,403,545,336	2,868,841,228	5,720,667,808	283,410,346	79,417,519,425	79,417,519,425	72.51
2019	62,682,776,578	4,798,195,140	2,655,839,191	5,478,733,432	270,677,922	75,886,222,263	75,886,222,263	71.49
2018	61,046,926,653	5,307,565,850	2,568,249,146	5,272,908,093	270,677,922	74,466,327,664	74,466,327,664	69.56
2017	57,871,202,283	4,980,355,366	2,296,268,627	5,109,701,374	291,093,494	70,548,621,144	70,548,621,144	69.93
2016	54,932,805,754	5,042,138,245	2,250,950,826	4,907,345,575	274,684,465	67,407,924,865	67,407,924,865	70.09
2015	52,476,956,219	4,711,452,019	2,096,989,899	4,729,846,285	280,681,766	64,295,926,188	64,295,926,188	70.08
2014	51,682,382,456	4,879,662,128	2,003,135,948	4,564,604,680	268,980,462	63,398,765,674	63,398,765,674	70.10

Source: Jefferson County Property Valuation Administration

Board of Education of Jefferson County, Kentucky

Property Taxes, As Assessed

Ten Years' Trend Data

	Real Estate	Tangible Property	Franchise	Motor Vehicle	Distilled Spirits	Total Property Taxes as Assessed	Estimated Actual Tax Value
2023	\$ 596,445,056	\$ 46,255,303	\$ 26,488,338	\$ 38,515,075	\$ 1,922,136	\$ 709,625,908	\$ 709,625,908
2022	565,941,787	43,452,272	25,255,315	33,868,172	2,039,210	670,556,756	670,556,756
2021	538,411,673	41,255,684	23,310,655	33,915,211	2,089,769	638,982,992	638,982,992
2020	479,438,163	39,770,094	21,659,751	33,465,907	2,085,900	576,419,815	576,419,815
2019	454,450,130	34,786,915	19,254,834	32,050,591	1,962,415	542,504,885	542,504,885
2018	432,212,241	37,683,718	18,234,569	30,846,512	1,921,813	520,898,853	520,898,853
2017	409,728,112	35,360,523	16,303,507	29,891,753	2,066,764	493,350,659	493,350,659
2016	390,022,921	35,799,182	15,981,751	28,707,972	1,950,260	472,462,086	472,462,086
2015	367,338,694	32,980,164	14,678,929	27,669,601	1,964,772	444,632,160	444,632,160
2014	361,776,677	34,157,635	14,021,952	26,702,937	1,882,863	438,542,064	438,542,064

Source: Assessments from Jefferson County Property Valuation Administration multiplied by tax rates

Board of Education of Jefferson County, Kentucky

Principal Real Estate Taxpayers

For the fiscal year ended June 30, 2023 and nine comparison years

Company	2022-23 School Tax Paid	% Total Rev	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
LOUISVILLE GAS & ELECTRIC	\$17,466,220	2.5 %	\$16,716,985	\$14,097,643	\$12,391,757	\$12,246,131	\$10,556,090	\$ 9,852,494	\$ 8,576,005	\$ 7,425,245	**
W W GRAINGER INC #009	3,273,219	0.5 %	4,381,401	1,270,929	**	**	**	**	**	**	**
BELLSOUTH TELECOMMUNICATIONS	2,576,179	0.4 %	2,452,842	2,051,701	1,444,283	1,396,092	1,276,264	910,013	889,611	897,653	1,191,344
BT PROPERTY LLC	2,372,432	0.3 %	2,331,349	2,279,316	2,094,564	1,778,260	1,308,112	1,305,761	1,280,785	931,639	779,381
HUMANA INC	2,233,575	0.3 %	1,878,279	1,820,080	1,696,056	1,260,698	2,583,952	**	1,294,204	1,270,617	**
PC ROLLING HILLS LOUISVILLE LLC	2,079,019	0.3 %	1,684,166	1,948,116	1,585,336	**	**	**	**	**	**
SPECTRUM MID-AMERICA LLC	1,816,651	0.3 %	1,595,007	1,400,517	1,218,076	1,406,678	1,095,192	1,770,143	1,169,732	831,367	897,930
UNITED PARCEL SERVICE CO	1,783,058	0.3 %	1,512,871	1,426,368	1,418,139	1,468,730	**	**	**	**	874,965
SCHNEIDER GROUND CO LLC	1,715,508	0.2 %	1,318,145	1,253,928	**	**	**	**	**	**	**
WAL MART REAL ESTATE BUSINESS TR	1,445,783	0.2 %	955,610	**	**	**	**	**	**	**	**

** For years marked, taxpayer was not one of the principal taxpayers to the Board.

Source: Jefferson County Sheriff

Percent of total revenues is based on percent of total real estate and other property taxes as follows:

Property taxes	\$	627,463,151
Other taxes		74,667,834
	\$	<u>702,130,985</u>

Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates

For Tax Year 2022

	<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>		<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>
Jefferson County Board of Education - total direct rate of largest own source revenue (cents per \$100 property assessment)					76.30	76.80	79.60
Metro Louisville							
Government	12.40	16.41	16.60	Glenview	11.00	—	—
Anchorage	32.90	16.00	32.90	Glenview Hills	11.00	—	—
Audubon Park	24.00	—	28.00	Glenview Manor	13.45	—	—
Bancroft	28.80	—	—	Goose Creek	13.70	—	—
Barbourmeade	20.90	—	—	Graymoor-Devondale	20.00	—	—
Beechwood Village	10.00	—	—	Green Spring	14.50	14.50	—
Bellemeade	6.60	—	—	Heritage Creek	19.20	—	—
Bellewood	19.00	—	—	Hickory Hill	19.00	—	—
Blue Ridge Manor	20.00	—	—	Hills and Dales	18.90	—	—
Briarwood	29.00	—	—	Hollow Creek	34.00	—	—
Broeck Pointe	16.30	—	—	Houston Acres	14.70	—	—
Brownsboro Farm	21.80	—	—	Hurstbourne	14.90	—	—
Brownsboro Village	21.23	—	—	Hurstbourne Acres	14.00	—	—
Cambridge	16.80	—	—	Indian Hills	19.10	—	—
Coldstream	10.00	—	—	Jeffersontown	13.09	—	—
Creekside	22.00	—	—	Kingsley	27.80	—	—
Crossgate	22.50	—	—	Langdon Place	28.00	—	—
Douglas Hills	13.40	—	—	Lincolnshire	22.00	—	—
Druid Hills	10.00	—	—	Lyndon	12.00	—	—
Fincastle	20.00	—	—	Lynnview	10.00	—	11.90
Forest Hills	12.00	—	2.00	Manor Creek	29.00	—	—

¹ Cents per \$100 assessment

Continued

Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates – Continued

For Tax Year 2022

	<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>		<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>
Maryhill Estates	13.00	—	—	Saint Regis Park	9.60	—	—
Meadow Vale	10.30	—	—	Seneca Gardens	21.31	—	—
Meadowbrook Farm	5.60	—	—	Shively	35.40	37.70	37.70
Meadowview Estates	10.50	—	—	Spring Mill	20.00	—	—
Middletown	13.40	—	—	Spring Valley	17.00	—	—
Mockingbird Valley	10.00	—	—	Strathmoor Manor	30.00	—	—
Moorland	22.00	—	—	Strathmoor Village	21.00	—	—
Murray Hill	15.60	—	—	Ten Broeck	7.94	—	—
Norbourne Estates	16.80	—	—	Thornhill	12.00	—	—
Nothfield	14.40	—	—	Watterson Park	5.80	5.00	7.00
Norwood	14.10	—	—	Wellington	13.38	—	—
Old Brownsboro Place	34.00	—	—	West Buechel	18.30	—	—
Parkway Village	14.60	—	—	Westwood	11.00	—	—
Plantation	26.00	—	—	Wildwood	13.90	—	—
Prospect	17.30	—	—	Windy Hills	17.00	—	—
Richlawn	11.40	—	—	Woodland Hills	9.50	—	—
Riverwood	17.92	—	—	Woodlawn Park	14.70	—	—
Rolling Fields	15.40	—	—	Worthington Hills	16.25	—	—
Rolling Hills	15.67	—	—				
Saint Matthews	20.00	—	—				

¹ Cents per \$100 assessment

Continued

Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates – Continued

For Tax Year 2022

	Real Estate¹	Tangible Property¹	Motor Vehicle¹
Anchorage/Middletown Fire & EMS	16.00	16.00	16.60
Buechel Fire District	18.00	18.00	—
Fairdale Fire District	10.00	10.00	10.00
Fern Creek Fire District	18.00	18.00	18.00
Highview Fire District	18.00	18.00	18.00
Jeffersontown/McMahan Fire District	15.00	15.00	15.00
Louisville Downtown Management District	8.31	—	—
Lynnview Garbage Fund	10.00	—	10.00
Okolona Fire District	17.00	17.00	10.00
Pleasure Ridge Park Fire District	20.00	20.00	20.00
St Matthews/Lyndon Fire District	15.00	15.00	15.00
Urban Services District/Louisville	35.80	56.00	58.50

¹ Cents per \$100 assessment

Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees

For Tax Year December 31, 2022 and Nine Comparison Years

	2022	Percent of Jefferson County's Employees	2021	2020	2019	2018	2017	2016	2015	2014	2013
United Parcel Service	25,169	6.4 %	24,110	25,090	23,533	23,533	21,233	22,354	22,189	20,931	20,117
Norton Healthcare Inc.	14,413	3.7 %	14,403	13,828	12,579	12,579	12,247	11,944	10,739	10,245	9,658
Jefferson County Public Schools	13,596	3.4 %	14,056	14,484	14,250	14,250	14,476	14,553	14,719	14,676	14,366
UofL Health Inc.	13,183	3.3 %									
Ford Motor Co.	13,020	3.3 %	13,020	13,020	13,042	13,042	12,600	12,600	9,028	8,987	8,696
Humana Inc.	11,243	2.9 %	12,526	12,360	12,000	12,000	12,000	12,500	12,900	12,371	11,000
Baptist Healthcare System	9,030	2.3 %	9,666	7,346	8,143	8,143	6,159	6,786	5,116	5,339	4,219
Walmart, Inc.	8,600	2.2 %	7,500	6,650							
GE Appliances. a Haier company	8,100	2.1 %	7,100	6,000	6,000	6,000	6,000	6,000	6,000	6,230	5,000
University of Louisville	6,585	1.7 %	6,574	6,620	6,394	6,394	6,933	7,065	6,264	6,161	6,273
Louisville/Jeff Co. Metro Government	5,702	1.4 %	5,628	5,646	5,987	5,987	6,226	6,192	5,584	5,654	5,698
Amazon.com LLC	5,700	1.4 %	5,700	5,700	5,700	5,700	6,500				
The Kroger Co	5,000	1.3 %	7,421	9,300	9,235	9,235	3,079	3,079	4,892		
Manna Inc.	2,300	0.6 %	2,325	2,300	2,300	2,300	2,300	2,600	2,400		
Archdiocese of Louisville	2,193	0.6 %	2,202	2,202	2,202	2,202	2,252	2,660	2,237	2,260	2,352
LG&E and KU Energy LLC	2,084	0.5 %	2,209	2,240	2,208	2,208	2,162	2,201	1,993	2,178	2,066
Robley Rex VA Medical Center	2,084	0.5 %	2,002	1,922	1,876						
Bullitt County Public Schools	1,716	0.4 %	1,737								
Oldham County Public Schools	1,704	0.4 %	1,777								
Samtec Inc.	1,575	0.4 %	1,601								

Source: Business First magazine

Board of Education of Jefferson County, Kentucky

Occupational Tax Revenues

Ten Years' Trend Data

2023	\$	206,342,623
2022		206,474,525
2021		176,787,809
2020		156,348,315
2019		165,754,818
2018		162,374,610
2017		156,387,646
2016		151,821,629
2015		139,825,242
2014		132,569,312

Occupational tax rates have been 0.75% of salaries & wages of Jefferson County workers for the entire period.

Board of Education of Jefferson County, Kentucky

Total Bonded Debt by Responsible Party

Presented for Life of Bonds

Jefferson County Board of Education			
Year Ending June 30	Principal	Interest	Total Repayments
2024	\$ 29,653,292	\$ 18,192,349	\$ 47,845,641
2025	30,583,688	17,263,533	47,847,221
2026	31,835,507	21,572,243	53,407,750
2027	33,158,653	14,690,043	47,848,696
2028	34,317,305	13,531,247	47,848,552
2029-2033	195,422,533	56,050,302	251,472,835
2034-2038	141,587,249	14,049,583	155,636,832
2039-2043	18,760,278	658,592	19,418,870
	<u>\$515,318,505</u>	<u>\$156,007,892</u>	<u>\$671,326,397</u>

Metro Louisville			
Year Ending June 30	Principal	Interest	Total Repayments
2024	\$ 100,385	\$ 2,610	\$ 102,995
2025			
2026			
2027			
2028			
2029-2033			
2034-2038			
2039-2043			
	<u>\$ 100,385</u>	<u>\$ 2,610</u>	<u>\$ 102,995</u>

Kentucky School Facilities Construction Commission			
Year Ending June 30	Principal	Interest	Total Repayments
2024	\$ 7,631,323	\$ 2,864,136	\$ 10,495,459
2025	5,986,312	2,582,705	8,569,017
2026	6,173,850	2,431,419	8,605,269
2027	6,141,347	2,202,992	8,344,339
2028	5,572,695	1,988,394	7,561,089
2029-2033	26,824,517	7,092,790	33,917,307
2034-2038	18,627,751	2,898,663	21,526,414
2039-2043	6,804,722	719,133	7,523,855
	<u>\$ 83,762,517</u>	<u>\$ 22,780,232</u>	<u>\$106,542,749</u>

Total Principal payments	\$599,181,407
Total Interest payments	178,790,734
Total Repayments	<u><u>\$777,972,141</u></u>

These schedules present the total debt service payable over the life of each bond issue. The Kentucky School Facilities Construction Commission and the Metro Louisville government have pledged to pay the debt service on certain issues as documented by a Memorandum of Agreement or a legislative pronouncement; however, all debt was issued in the Board's name and the full liability is reflected in the Financial Section of this ACFR.

Board of Education of Jefferson County, Kentucky

Detail of Bonds by Responsible Party

Presented for Life of Bonds

Bond Issue	Jefferson County Board of Education	Kentucky School Facilities Construction Commission	Metro Louisville	Net Bond Premiums/ (Discounts)	Total
2010C QSCB	\$ 7,117,050			\$ (48,288)	\$ 7,068,762
2011A QSCB	29,357			(86,258)	(56,901)
2012A		\$ 7,115,000		(115,158)	6,999,842
2012B	279,534	1,810,081	\$ 100,385	(16,378)	2,173,622
2012C	3,815,000			(5,974)	3,809,026
2012D	21,835,000			(107,581)	21,727,419
2013A	7,158,010	56,990		(44,564)	7,170,436
2013B	13,578,216	3,691,784		212,096	17,482,096
2013C	25,290,000			203,394	25,493,394
2014A	32,313,570	5,891,430		1,373,326	39,578,326
2015A		11,645,000		659,271	12,304,271
2015B	24,630,000			1,273,873	25,903,873
2015C	12,455,000			697,271	13,152,271
2016A	16,365,271	15,694,729		1,191,707	33,251,707
2016B		3,700,000		25,553	3,725,553
2017A	26,795,000			3,234,700	30,029,700
2018A	15,389,579	11,535,421		426,315	27,351,315
2019A	48,210,000			4,113,176	52,323,176
2020A	55,020,000			2,349,428	57,369,428
2021A	23,476,077	11,103,923		1,741,119	36,321,119
2021B	83,880,000			7,435,221	91,315,221
2022A	51,275,000			6,713,165	57,988,165
2023A	46,406,841	\$ 11,518,159		5,521,554	\$ 63,446,554
	\$ 515,318,505	\$ 83,762,517	\$ 100,385	\$ 36,746,968	\$ 635,928,375

Board of Education of Jefferson County, Kentucky
Overlapping/Direct Debt and Bond Analysis Ratios

As of June 30, 2023

Governmental Unit	Gross Debt Outstanding	Percentage Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County Public Schools	\$ 635,928,375	100%	\$ 635,928,375
Overlapping Debt ¹ :			
Louisville/Jefferson County Metro Government			
Revenue Bonds	22,413,190	100%	22,413,190
General Obligation Debt	657,454,363	100%	657,454,363
	<u>679,867,553</u>		<u>679,867,553</u>
Total Overlapping and Direct Debt	<u>\$ 1,315,795,928</u>		<u>\$ 1,315,795,928</u>
Total Overlapping and Direct Debt Per Capita	0.0275	Total Overlapping and Direct to Total Personal Income	0.027516287
Direct Debt Per Capita			
Net Bonded Debt to Assessed Value	0.0133	Total Direct Debt to Total Personal Income	0.01329871
Debt Service Expenditures to Total Governmental Expenditures	0.0481	¹ Percent of overlapping debt applicable to Jefferson County taxpayers calculated as 100% due to coterminus boundaries	
Governmental Revenues Coverage (Divided by Debt Service Expenditures)	22.0948		

Board of Education of Jefferson County, Kentucky

Ratios of Debt Outstanding

Ten Year Trend

Fiscal Year	Jefferson Co. Board of Education Government	Jefferson Co. Board of Education Proprietary	Kentucky School Facilities Construction Commission	School Based Neighborhood Places funded by Metro Louisville	Net Bond Premiums/ (Discounts)	Total	Debt Service Coverage ¹	Percent of Personal Income	Debt Per Capita
2023	\$ 515,318,505	—	\$ 83,762,517	\$ 100,385	\$ 36,746,969	\$ 635,928,376	0.79	1.33 %	\$ 817
2022	447,492,339	—	79,237,470	198,320	26,916,078	553,844,207	1.13	1.25 %	707
2021	390,495,488	—	86,032,214	294,054	20,979,847	497,801,603	1.12	0.0115	615
2020	395,097,655	—	81,221,655	387,635	20,819,807	497,526,752	1.19	0.0119	615
2019	363,089,854	—	88,588,121	479,158	20,174,605	472,331,738	1.15	0.0124	583
2018	359,092,880	1,113,962	83,177,234	568,886	20,174,605	443,952,962	1.17	0.0136	573
2017	380,821,200	2,237,862	91,111,285	753,653	N/A	474,924,000	1.19	0.0145	621
2016	371,614,934	3,339,736	97,532,246	932,084	N/A	473,419,000	1.17	0.0145	623
2015	358,747,835	4,378,081	83,443,649	1,104,435	N/A	447,674,000	1.14	0.0137	589
2014	383,549,548	5,383,481	73,011,023	1,270,948	N/A	463,215,000	1.02	0.0142	609

¹ Statutorily, revenues in two funds are used for debt service, with any remainder paid by General Fund. Coverage ratio is the total revenues in Capital Outlay and Building Fund divided by debt service expenses for the year.

Jefferson County Demographics

Updated as of 2023

Population by Selected Age Groups	Jefferson County	Number Percentage
0-4	44,614	5.7 %
5-9	46,667	6.0 %
10-19	94,363	12.1 %
20-29	103,331	13.3 %
30-39	108,580	14.0 %
40-49	93,617	12.0 %
50-59	102,674	13.2 %
60-64	50,869	6.5 %
65+	133,479	17.3 %
Total Population	778,194	100.0 %

Population by Race and Hispanic Origin	Jefferson County	Number Percentage
Caucasian	474,060	60.9 %
African-American	158,522	20.4 %
American Indian	1,641	0.2 %
Asian	30,888	4.0 %
Native Hawaiian / Pacific Islander	318	— %
Other / Multirace	40,504	5.2 %
Hispanic Origin	61,473	7.9 %
Population Estimates ¹	767,406	100.01 %

Source: US Department of Commerce, Bureau of the Census

Source: US Department of Commerce, Bureau of the Census

¹ The groupings in this chart allow for some individuals to be counted twice, such as the Hispanic Origin. For this reason, totals are slightly different from the chart on the left. Chart also includes rounding adjustment.

Economic Statistics

Ten Years' Trend Data

	Total Personal Wages	Per Capita Income	Average Weekly Wage	Employment	Unemployment	Unemployment Rate
2023	\$ 47,818,804,000	\$ 61,474	\$ 1,293	394,404	19,402	4.7 %
2022	44,407,286,000	57,863	1,293	377,469	22,741	5.7 %
2021	41,523,531,000	54,155	1,215	394,405	22,372	5.7 %
2020	40,017,970,000	51,937	1,172	393,650	15,933	3.9 %
2019	36,522,814,038	47,361	1,004	384,318	16,269	4.1 %
2018	36,522,814,038	47,361	1,004	376,784	17,464	4.4 %
2017	36,522,814,038	47,361	988	363,746	16,621	4.4 %
2016	N/A	N/A	1,013	352,193	18,173	4.9 %
2015	N/A	N/A	1,017	356,765	20,345	5.4 %
2014	32,703,660,516	42,996	994	341,120	25,216	6.9 %

Source: US Department of Labor, Bureau of Labor Statistics

Board of Education of Jefferson County, Kentucky

Number of Employees by Functional Duties

Function	2023	2022	2021	2020	2019
Instruction	4,567	4,638	4,726	4,802	4,918
Home and Hospital Instruction	11	12	8	8	8
Other Instructional Programs	2,981	3,274	3,294	3,201	3,248
Student Support Services	754	715	702	650	568
Instructional Staff Support Services	1,102	1,077	1,095	1,151	1,125
District Administrative Support Services	47	44	43	41	38
School Administrative Support Services	1,108	1,100	1,122	1,148	1,171
Business Support Services	314	300	307	317	297
Plant Operations and Maintenance	1,084	1,046	1,048	1,095	1,114
Student Transportation	862	959	1,014	1,175	1,245
Food Service Operations	1	869	850	914	939
Day Care Operations	839	124		1	1
Community Service Operations	126	9	116	119	122
Architectural and Engineering Services	10		9	9	7
	13,806	14,167	14,334	14,631	14,801

Board of Education of Jefferson County, Kentucky

Enrollment by Level

Ten Years' Trend Data

	Elementary	Middle	High	Kindergarten	E.C.E.	Preschool	Total Enrollment
2023	34,596	20,749	28,988	7,001	2,119	3,080	96,533
2022	33,589	20,965	28,811	6,993	2,269	1,539	94,166
2021	35,763	21,233	28,358	7,183	2,420	2,899	97,856
2020	35,763	21,233	28,358	7,183	2,420	2,899	97,856
2019	35,763	21,233	28,358	7,183	2,420	2,899	97,856
2018	37,428	20,717	28,757	6,294	2,316	3,386	98,898
2017	37,660	20,599	28,689	7,431	2,297	3,203	99,879
2016	37,740	20,703	28,603	7,480	2,305	3,864	100,695
2015	37,514	21,093	28,331	7,659	2,315	3,590	100,502
2014	37,242	21,413	27,840	7,828	2,352	4,020	100,695

Reflects First Month Enrollment

Due to differences in tracking enrollment due to COVID-19, the Kentucky Department of Education used the 2019 enrollment data through 2021.

Board of Education of Jefferson County, Kentucky

School Building Capacity Data

Ten Years' Trend Data

School Name	Square Footage	2022-23		2021-22		2020-21		2019-20		2018-19	
		Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Alex R. Kennedy Elementary (2015-16)	45,627	357	342	357	323	357	361	350	361	350	353
Atherton High	204,019	1,262	1,460	1,218	1,486	1,218	1,411	1,490	1,411	1,490	1,462
Atkinson Elementary	73,902	680	324	680	324	680	335	720	335	720	360
Auburndale Elementary	59,966	608	613	608	599	608	603	624	603	624	617
Audubon Traditional Elem.	51,227	665	616	665	600	665	621	628	621	628	622
Ballard High	278,137	2,110	2,021	2,110	1,982	2,110	1,969	2,050	1,969	2,050	1,920
Barret Traditional Middle	107,195	631	633	631	637	631	635	654	635	654	641
Bates Elementary	48,508	546	564	546	550	546	572	571	572	571	560
Blake Elementary	60,916	540	523	540	465	540	508	548	508	548	506
Bloom Elementary	61,676	475	526	475	515	475	552	560	552	535	556
Blue Lick Elementary	55,333	519	487	519	423	519	523	560	523	560	530
Bowen Elementary	63,960	784	695	784	687	784	731	752	731	752	729
Brandeis Elementary	55,400	660	469	660	455	660	529	594	529	594	547
Breckinridge Metropolitan High	61,737	154	68	154	50	154	97	149	97	149	124
Breckinridge/Franklin Elementary	78,293	595	271	595	301	595	447	578	447	578	470
Brown School	157,340	1,562	739	1,562	736	1,562	749	860	749	720	731
Buechel Metropolitan High	53,221										
Butler Traditional High	210,238	1,740	1,428	1,740	1,486	1,740	1,652	1,680	1,652	1,680	1,681
Byck Elementary	72,698	531	286	531	314	531	366	640	366	640	383
Camp Taylor Elementary	58,936	553	454	553	411	553	463	568	463	568	398
Cane Run Elementary	60,107	587	377	587	330	587	394	536	394	536	455
Carrithers Middle	92,976	690	588	690	601	690	681	800	681	800	691
Carter Elementary	96,030	689	552	689	559	689	613	612	613	612	600

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Alex R. Kennedy Elementary (2015-16)	450	335	450	316						
Atherton High	1,490	1,471	1,350	1,473	1,350	1,365	1,350	1,353	1,350	1,266
Atkinson Elementary	720	444	720	461	720	461	720	436	720	428
Auburndale Elementary	624	609	620	606	620	603	620	624	620	627
Audubon Traditional Elem.	628	618	612	622	612	621	612	616	612	618
Ballard High	2,050	1,895	2,050	1,943	2,050	1,958	2,050	1,978	2,050	2,003
Barret Traditional Middle	654	645	654	647	654	645	654	646	654	639
Bates Elementary	571	553	609	541	609	553	609	550	609	563
Blake Elementary	548	526	548	515	548	506	548	496	548	506
Bloom Elementary	535	549	535	548	535	532	535	521	535	535
Blue Lick Elementary	560	513	560	522	560	513	560	706	560	454
Bowen Elementary	752	712	752	726	752	727	752	706	752	722
Brandeis Elementary	594	561	570	578	570	599	570	586	570	599
Breckinridge Metropolitan High	149	110	106	137	106	140	106	124	122	117
Breckinridge/Franklin Elementary	578	467	578	483	578	479	578	493	578	479
Brown School	720	720	720	701	720	700	720	692	718	739
Buechel Metropolitan High					181		181	153	213	127
Butler Traditional High	1,680	1,686	1,650	1,688	1,650	1,680	1,650	1,695	1,650	1,693
Byck Elementary	640	489	624	532	624	568	624	579	614	621
Camp Taylor Elementary	568	441	598	447	598	449	598	482	568	470
Cane Run Elementary	536	412	574	437	574	424	574	406	574	400
Carrithers Middle	800	712	800	680	800	703	800	559	800	558
Carter Elementary	612	593	612	608	612	617	612	596	612	591

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	Square Footage	2022-23		2021-22		2020-21		2019-20		2018-19	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	233,564	1,380	1,228	1,380	1,260	1,380	1,249	1,400	1,249	1,400	1,259
Chancey Elementary	76,000	616	559	616	537	616	582	750	582	750	624
Chenoweth Elementary	55,842	632	462	632	461	632	522	640	522	640	525
Churchill Park School	82,200	134	88	134	72	134	104	120	104	80	120
Cochran Elementary	56,645	595	317	595	304	595	330	514	330	514	324
Cochrane Elementary	61,325	544	469	544	458	544	477	520	477	520	476
Coleridge Taylor Elementary	73,437	723	402	723	391	723	481	750	481	750	517
Conway Middle	101,137	832	729	832	791	832	804	950	804	950	814
Coral Ridge Elementary	53,751	527	548	527	527	527	566	562	566	562	548
Crosby Middle	98,894	1,022	1,019	1,022	1,015	1,022	1,060	1,290	1,060	1,290	1,090
Crums Lane Elementary	61,350	595	372	595	384	595	414	542	414	542	432
Dixie Elementary	44,573	459	328	459	316	459	370	500	370	500	436
Doss High	237,309	1,705	938	1,705	987	1,705	973	1,600	973	1,600	1,013
Dunn Elementary	51,816	641	474	641	479	641	536	615	536	615	534
DuPont Maunal High	249,048	2,066	1,930	2,066	1,912	2,066	1,894	1,920	1,894	1,880	1,921
Eastern High	299,962	2,262	2,050	2,262	2,067	2,262	2,128	2,090	2,128	2,090	2,065
Eisenhower Elementary	59,511	665	591	665	563	665	601	672	601	672	582
Engelhard Elementary	56,137	531	273	531	253	531	350	500	350	500	377
MLS Newcomer Academy (2016-17)	97,880	700	648	700	483		537		537		395
Fairdale Elementary	64,726	1,746	595	1,746	1,398	1,746	1,362	669	1,362	669	578
Fairdale High Magnet Career Academy	270,295	638	1,391	638	587	638	602	1,600	602	1,600	1,279
Farmer Elementary	79,550	703	760	703	735	703	776	790	776	760	769
Farnsley Middle	129,979	873	1,043	873	1,026	873	1,134	1,150	1,134	1,150	1,095
Fern Creek Elementary	62,617	659	715	659	664	659	676	727	676	727	634
Fern Creek Traditional High	247,769	1,604	1,699	1,604	1,746	1,604	1,752	1,775	1,752	1,650	1,778
Field Elementary	55,945	451	390	451	384	451	421	446	421	446	407
Foster Traditional Academy	79,800	574	575	574	564	574	563	660	563	660	525

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	1,400	1,183	1,400	1,110	1,400	1,120	1,400	1,107	1,400	1,123
Chancey Elementary	750	653	765	665	765	730	765	710	765	711
Chenoweth Elementary	640	556	640	543	640	513	640	514	640	520
Churchill Park School	80	151	89	136	89	138	89	159	210	161
Cochran Elementary	514	408	514	368	514	267	514	347	514	378
Cochrane Elementary	520	456	520	430	520	438	520	373	520	460
Coleridge Taylor Elementary	750	615	750	649	750	619	750	644	750	641
Conway Middle	950	816	950	833	950	840	950	889	950	925
Coral Ridge Elementary	562	553	562	527	562	524	562	502	562	489
Crosby Middle	1,290	1,131	1,405	1,296	1,405	1,315	1,405	1,417	1,450	1,440
Crums Lane Elementary	542	465	550	481	550	529	550	503	550	491
Dixie Elementary	500	451	480	471	480	469	480	444	480	401
Doss High	1,600	1,102	1,600	1,072	1,600	1,087	1,600	1,049	1,600	1,029
Dunn Elementary	615	528	610	570	610	563	610	580	607	616
DuPont Maunal High	1,880	1,919	1,850	1,901	1,850	1,896	1,850	1,896	1,850	1,877
Eastern High	2,090	2,088	2,090	2,024	2,090	2,073	2,090	2,069	2,090	2,054
Eisenhower Elementary	672	572	584	602	584	612	584	617	584	616
Engelhard Elementary	500	366	530	409	530	435	530	435	530	452
MLS Newcomer Academy (2016-17)		480								
Fairdale Elementary	669	569	669	606	669	621	669	576	669	559
Fairdale High Magnet Career Academy	1,600	1,204	1,600	1,173	1,600	1,164	1,600	1,080	1,600	1,095
Farmer Elementary	760	747	788	765	788	760	788	774	761	763
Farnsley Middle	1,150	1,059	1,150	1,048	1,150	1,067	1,150	1,151	1,120	1,129
Fern Creek Elementary	727	594	788	644	788	669	788	781	780	801
Fern Creek Traditional High	1,650	1,685	1,575	1,599	1,575	1,595	1,575	1,463	1,575	1,454
Field Elementary	446	413	446	405	446	414	446	427	446	424
Foster Traditional Academy	660	584	650	592	650	655	650	632	650	622

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	Square Footage	2022-23		2021-22		2020-21		2019-20		2018-19	
		Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Frayser Elementary	68,142	510	319	510	289	510	331	522	331	522	354
Robert Frost Middle	77,553	761		761	389	761	449	700	449	700	423
Gilmore Lane Elementary	39,483							412		412	258
Goldsmith Elementary	50,464	638	605	638	602	638	597	683	597	683	599
Grace James Academy	62,566	711	362	711	247						
Greathouse/Shryock Elementary	61,555	641	603	641	609	641	619	620	619	620	615
Greenwood Elementary	50,667	468	458	468	429	468	474	570	474	570	488
Gutermuth Elementary	53,378	489	371	489	352	489	394	541	394	541	385
Hartstern Elementary	53,718	553	529	553	452	553	463	592	463	592	463
Hawthorne Elementary	62,659	461	447	461	412	461	457	507	457	507	466
Hazelwood Elementary	104,673	497	459	497	418	497	510	620	510	620	529
Highland Middle	120,249	954	795	954	824	954	928	1,200	928	1,200	900
Hite Elementary	45,720	499	454	499	448	499	486	526	486	526	473
Indian Trail Elementary	45,660	468	533	468	489	468	509	537	509	537	436
Iroquois High	293,374	1,786	1,088	1,786	1,058	1,786	1,182	1,450	1,182	1,450	1,204
Jacob Elementary	64,800	646	484	646	392	646	498	700	498	700	584
Jefferson County Trad. Middle	120,513	935	879	935	879	935	928	929	928	929	921
Jefferson, Thomas Middle	206,213	1,644	898	1,644	964	1,644	1,077	1,425	1,077	1,425	1,082
Jeffersontown Elementary	69,309	638	680	638	624	638	705	766	705	766	684
Jeffersontown High Magnet Career	332,591	1,631	949	1,631	937	1,631	920	1,600	920	1,600	986
Johnson Traditional Middle	136,185	1,022	747	1,022	837	1,022	897	980	897	980	897
Johnsontown Road Elementary	46,556	446	330	446	250	446	322	487	322	487	321
Kammerer Middle	127,480	1,066	721	1,066	811	1,066	940	1,120	940	1,120	969
Kennedy Metropolitan	45,627										
Kennedy Montessori Elementary	58,592	595	434	595	447	595	558	640	558	640	586
Kenwood Elementary	46,843	531	577	531	563	531	587	600	587	600	580

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Frayser Elementary	522	363	522	380	522	380	522	352	522	373
Robert Frost Middle	700	470	700	435	700	169	700	494	700	529
Gilmore Lane Elementary	412	276	412	289	412	293	412	312	412	373
Goldsmith Elementary	683	584	683	611	683	631	683	619	683	678
Grace James Academy										
Greathouse/Shryock Elementary	620	616	612	618	612	612	612	609	612	610
Greenwood Elementary	570	506	565	540	565	535	565	564	565	561
Gutermuth Elementary	541	402	563	414	563	444	563	410	563	443
Hartstern Elementary	592	464	592	469	592	469	592	470	592	448
Hawthorne Elementary	507	467	507	472	507	487	507	496	507	477
Hazelwood Elementary	620	477	696	492	696	471	696	460	696	435
Highland Middle	1,200	919	1,227	929	1,227	1,035	1,227	1,156	1,227	1,189
Hite Elementary	526	491	526	495	526	507	526	500	526	530
Indian Trail Elementary	537	446	537	472	537	447	537	453	537	498
Iroquois High	1,450	1,283	1,450	1,269	1,450	1,173	1,450	1,100	1,450	1,193
Jacob Elementary	700	623	698	656	698	687	698	707	698	688
Jefferson County Trad. Middle	929	930	929	918	929	918	929	922	929	925
Jefferson, Thomas Middle	1,425	998	1,425	901	1,425	858	1,425	896	1,425	898
Jeffersontown Elementary	766	720	819	754	819	766	819	780	819	794
Jeffersontown High Magnet Career	1,600	1,107	1,600	1,158	1,600	1,297	1,600	1,434	1,600	1,471
Johnson Traditional Middle	980	869	980	887	980	904	980	912	980	932
Johnsontown Road Elementary	487	352	487	417	487	416	487	404	487	429
Kammerer Middle	1,120	930	1,120	890	1,120	904	1,120	1,064	1,100	1,074
Kennedy Metropolitan					84		84	71	77	86
Kennedy Montessori Elementary	640	599	620	574	620	559	620	619	620	622
Kenwood Elementary	600	571	615	607	615	588	615	584	615	590

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	Square Footage	2022-23		2021-22		2020-21		2019-20		2018-19	
		Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Kerrick Elementary	46,870	531	390	531	370	531	410	582	410	582	424
King Elementary	67,295	531	301	531	300	531	374	550	374	550	394
Klondike Lane Elementary	57,300	587	454	587	434	587	453	650	453	650	418
Knight Middle	101,218	812	453	812	436	812	471	700	471	700	438
Lassiter Middle	103,834	893	1,012	893	954	893	1,021	1,100	1,021	950	1,071
Laukhuf Elementary	61,426	608	609	608	576	608	521	600	521	600	484
Layne Elementary	50,740	510	392	510	339	510	378	518	378	518	355
Liberty High	100,329	403	116	403	75	403	170	281	170	222	280
Lincoln Elementary Performing Arts	96,825	713	577	713	570	713	574	560	574	566	569
Louisville Male High	187,678	1,588	1,994	1,588	1,984	1,588	2,030	2,050	2,030	1,915	1,958
Lowe Elementary	59,560	546	565	546	565	546	588	620	588	620	584
Luhr Elementary	46,943	446	517	446	501	446	473	524	473	524	478
Maupin Elementary	74,000	638	284	638	293	638	296	675	296	675	328
McFerran Preparatory Academy	160,000	1,288	648	1,288	672	1,288	808	1,020	808	1,020	909
Medora Elementary	39,537	475	464	475	442	475	464	463	464	463	454
Meyzeek Middle	134,645	1,218	939	1,218	994	1,218	1,077	1,200	1,077	1,200	1,112
Middletown Elementary	58,553	570	537	570	527	570	544	645	544	645	562
Mill Creek Elementary	48,611	523	465	523	457	523	513	564	513	564	486
Minor Daniels (2015-16)	46,759	259	175	259	39		222		222		188
Minors Lane Elementary	51,721	480	337	480	297	480	364	529	364	529	395
Moore Middle/High	267,550	2,050	2,339	2,050	2,375	2,050	2,307	2,300	2,307	2,190	2,300
Myers Middle	97,164										
Newburg Middle	119,000	893	943	893	972	893	1,126	1,100	1,126	1,100	1,040
Noe Middle	151,960	1,196	1,345	1,196	1,293	1,196	1,326	1,350	1,326	1,350	1,351
Norton Commons Elementary (2016-17)	86,235	808	609	713	573	713	730	784	730	784	552
Norton Elementary	62,025	713	729	808	698	808	574	768	574	768	710

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Kerrick Elementary	582	479	540	455	540	459	540	444	540	480
King Elementary	550	400	550	423	550	470	550	457	550	486
Klondike Lane Elementary	650	438	732	476	732	516	732	617	732	681
Knight Middle	700	419	700	406	700	407	700	435	700	472
Lassiter Middle	950	1,002	900	900	900	913	900	855	900	754
Laukhuf Elementary	600	457	600	443	600	446	600	464	600	448
Layne Elementary	518	417	541	447	541	463	541	472	541	500
Liberty High	222	269	270	275	270	404	270	366	263	349
Lincoln Elementary Performing Arts	566	564	500	562	500	556	500	493	439	445
Louisville Male High	1,915	1,961	1,763	1,891	1,763	1,806	1,763	1,755	1,763	1,735
Lowe Elementary	620	600	620	602	620	606	620	620	615	614
Luhr Elementary	524	503	524	482	524	483	524	486	524	493
Maupin Elementary	675	313	675	367	675	473	675	496	675	497
McFerran Preparatory Academy	1,020	907	1,020	901	1,020	971	1,020	917	1,020	903
Medora Elementary	463	459	463	454	463	455	463	444	463	440
Meyzeek Middle	1,200	1,107	1,200	1,138	1,200	1,101	1,200	1,140	1,200	1,115
Middletown Elementary	645	562	645	595	645	611	645	603	645	620
Mill Creek Elementary	564	503	564	508	564	490	564	475	564	509
Minor Daniels (2015-16)		212		167						
Minors Lane Elementary	529	431	600	454	600	447	600	384	600	383
Moore Middle/High	2,190	2,142	2,190	2,014	2,070	2,004	2,070	1,860	2,050	1,763
Myers Middle			1,010		1,010	129	1,010	785	1,010	731
Newburg Middle	1,100	1,077	1,112	1,040	1,112	1,061	1,112	1,015	1,112	1,046
Noe Middle	1,350	1,336	1,332	1,360	1,332	1,327	1,332	1,330	1,332	1,341
Norton Commons Elementary (2016-17)	784	488								
Norton Elementary	768	722	768	724	768	736	768	726	768	737

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2022-23			2021-22		2020-21		2019-20		2018-19	
	Square Footage	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Okolona Elementary	50,950	434	342	434	305	434	354	501	354	501	326
Olmsted Academy North Middle	152,553	934	510	934	544	934	646	773	646	773	618
Olmsted Academy South Middle	101,082	873	575	873	637	873	771	810	771	810	735
Phoenix School of Discovery (2018-19)	50,063	368	383	368	373	368	358		358		
Pleasure Ridge Park High	284,117	2,091	1,526	2,091	1,558	2,091	1,622	1,885	1,622	1,885	1,582
Portland Elementary	53,599	340	250	340	241	340	263	400	263	400	276
Price Elementary	53,339	531	418	531	399	531	417	590	417	590	394
Ramsey Middle	129,000	1,044	1,013	1,044	997	1,044	1,051	1,075	1,051	1,070	1,083
Rangeland Elementary	54,840	616	438	616	405	616	437	620	437	620	431
Roosevelt Perry Elementary	62,566			574	#N/A	574	198	451	198	451	248
Rutherford Elementary	87,876	587	448	587	468	587	492	630	492	630	452
Sanders Elementary	44,376	446	432	446	372	446	410	517	410	517	420
Schaffner Traditional Elementary	41,156	546	599	546	601	546	593	612	593	612	60
Semple Elementary	73,440	595	570	595	535	595	556	629	556	629	557
Seneca High	226,306	1,726	1,341	1,726	1,243	1,726	1,218	1,685	1,218	1,685	1,209
Shacklette Elementary	55,786	557	387	557	350	557	1,218	616	1,218	616	415
The Academy@Shawnee	333,804	1,705	534	1,441	475	1,441	540	1,175	540	1,400	582
Shelby Elementary	76,343	638	445	638	526	638	757	760	757	760	722
Slaughter Elementary	63,380	468	378	468	399	468	427	475	427	475	392
Smyrna Traditional Elementary	52,176	519	503	519	459	519	500	585	500	585	502
Georgia Chaffee TAPP	42,440	147	38	147	95	147		191	95	191	40
Southern High	321,288	1,604	1,396	1,604	1,329	1,604	1,289	1,700	1,289	1,700	1,334
St. Matthews Elementary	44,888	523	561	523	534	523	553	585	553	585	541
Stonestreet Elementary	48,282	485	451	485	432	485	450	500	450	500	450
Stopher Elementary	79,550	727	778	727	745	727	817	820	817	800	807
Stuart Middle	214,706	979	1,106	979	825	979	825	900	825	800	829

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Okolona Elementary	501	324	501	313	501	310	501	329	501	328
Olmsted Academy North Middle	773	587	773	581	773	577	773	653	850	665
Olmsted Academy South Middle	810	692	810	690	810	665	810	721	895	771
Phoenix School of Discovery (2018-19)										
Pleasure Ridge Park High	1,885	1,697	1,850	1,796	1,850	1,895	1,850	1,837	1,850	1,861
Portland Elementary	400	294	400	292	400	294	400	288	450	268
Price Elementary	590	404	590	435	590	501	590	544	590	588
Ramsey Middle	1,070	1,054	950	1,056	950	1,013	950	947	950	877
Rangeland Elementary	620	423	620	461	620	464	620	529	580	580
Roosevelt Perry Elementary	451	278	451	350	451	415	451	413	451	397
Rutherford Elementary	630	482	630	551	630	598	630	608	630	606
Sanders Elementary	517	454	560	480	560	485	560	501	560	498
Schaffner Traditional Elementary	612	596	612	607	612	611	612	610	612	608
Semple Elementary	629	600	629	620	629	581	629	535	629	543
Seneca High	1,685	1,286	1,685	1,369	1,685	1,417	1,685	1,502	1,685	1,482
Shacklette Elementary	616	413	616	418	616	426	616	437	616	433
The Academy@Shawnee	1,400	697	1,449	770	1,449	770	1,449	595	1,400	553
Shelby Elementary	760	728	700	736	700	756	700	704	650	682
Slaughter Elementary	475	390	526	436	526	438	526	439	526	415
Smyrna Traditional Elementary	585	476	585	514	585	559	585	562	575	571
Georgia Chaffee TAPP	191	40	191	93	191	105	191	157	216	211
Southern High	1,700	1,360	1,700	1,254	1,700	1,213	1,700	1,124	1,700	1,199
St. Matthews Elementary	585	557	597	563	597	567	597	568	597	589
Stonestreet Elementary	500	435	578	452	578	439	578	482	578	515
Stopher Elementary	800	776	832	803	832	822	832	803	820	811
Stuart Middle	800	779	1,500	647	1,500	806	1,500	829	1,500	1,058

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	Square Footage	2022-23		2021-22		2020-21		2019-20		2018-19	
		Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Trunnel Elementary	54,086	540	469	540	451	540	450	642	450	642	462
Tully Elementary	105,648	931	766	931	766	931	789	828	789	828	758
Valley Traditional High	275,670	1,320	972	1,320	918	1,320	863	1,600	863	1,600	1,011
Waggener High	185,446	1,482	846	1,482	854	1,482	905	1,300	905	1,300	918
Waller Williams Environmental ¹	54,619	365	87	365	89	365	131	123	131	98	123
Watson Lane Elementary	68,925			663	258	663	297	661	297	661	303
Watterson Elementary	52,105	489	501	489	459	489	507	600	507	600	499
W.E.B. Dubois Academy (2018-19) Middle	100,460	934	421	934	430	934	290		290		153
W.E.B. Dubois Academy High	44,332	934	169	934	124						
Wellington Traditional Elementary	56,924	531	410	531	371	531	409	547	409	547	425
Western High	202,622	1,441	859	1,441	810	1,441	673	1,300	673	1,300	683
Western Middle	133,525	1,035	1,178	1,035	674	1,035	665	825	665	825	616
Westport ECH (combined 2018-19)	78,043	374	162	374	96	374	153	148	153	148	74
Westport Traditional Middle	169,768	1,340	1,178	1,421	1,128	1,421	1,344	1,310	1,344	1,300	1,281
Wheeler Elementary	53,443	618	611	618	616	618	651	688	651	688	644
Wilder Elementary	49,424	594	561	594	522	594	533	613	533	613	532
Wilkerson Traditional Elementary	43,795	565	562	565	442	565	483	534	483	534	474
Wilt Elementary	50,481	537	518	537	471	537	518	566	518	566	511
Young Elementary	73,437	723	210	723	227	723	340	650	340	650	397
Zachary Taylor Elementary	60,043	531	308	531	312	531	377	585	377	585	417

¹ Students at these alternative schools are counted in the enrollment at their home school for years prior to 2011-12.

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data – Continued

Ten Years' Trend Data

School Name	2017-18		2016-17		2015-16		2014-15		2013-14	
	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month	Program Capacity	Student Enrollment 1 st Pupil Month
Trunnel Elementary	642	530	662	562	662	561	662	485	662	632
Tully Elementary	828	747	828	733	828	708	828	738	828	792
Valley Traditional High	1,600	1,038	1,600	1,271	827	1,481	827	1,481	1,600	1,087
Waggener High	1,300	908	1,300	868	1,300	827	1,300	763	1,300	782
Waller Williams Environmental ¹	98	98	98	87	98	94	98	86		
Watson Lane Elementary	661	315	661	364	661	364	661	395	661	443
Watterson Elementary	600	532	615	564	615	555	615	593	615	605
W.E.B. Dubois Academy (2018-19) Middle										
W.E.B. Dubois Academy High										
Wellington Traditional Elementary	547	484	547	484	547	492	547	457	547	482
Western High	1,300	731	1,300	789	1,300	825	1,300	806	1,300	798
Western Middle	825	629	825	603	825	575	825	555	825	387
Westport ECH (combined 2018-19)	148	76	148	76	148	147	148	158	228	154
Westport Traditional Middle	1,300	1,251	1,300	1,244	1,300	1,205	1,300	1,124	1,300	928
Wheeler Elementary	688	660	680	667	680	679	680	681	680	631
Wilder Elementary	613	563	613	548	613	544	613	572	613	566
Wilkerson Traditional Elementary	534	468	534	470	534	448	534	479	534	490
Wilt Elementary	566	519	566	507	566	498	566	485	566	460
Young Elementary	650	514	650	525	650	553	650	535	650	531
Zachary Taylor Elementary	585	463	585	444	585	464	585	525	585	430

¹ Students at these alternative schools are counted in the enrollment at their home school for years prior to 2011-12.

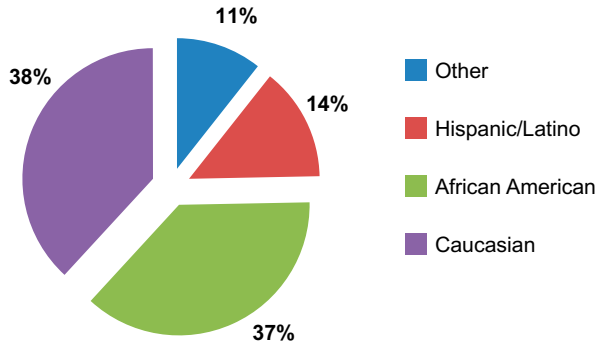
Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Due to differences in tracking enrollment due to COVID-19, the Kentucky Department of Education used 2019 enrollment data through 2021

Miscellaneous Statistics

For the Year Ended June 30, 2023

Student Demographics



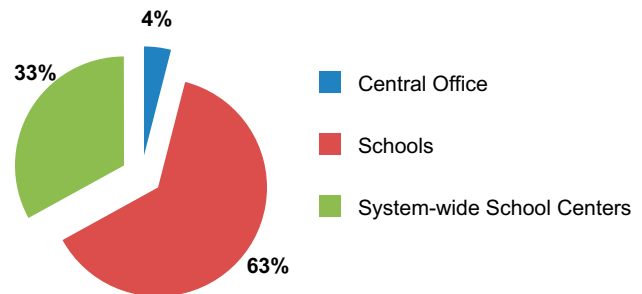
Number of Students

English as a Second Language	15,645
English Learners	16,717
Number of Languages Spoken	131
Exceptional Children	12,766
Free and Reduced Price Meals	96%
Advanced Placement Tests Taken	8,033

Student Transportation

Number of Buses	729
Number of Bus Compounds	13
Miles Driven per Day (Average)	83,806
Number of Students Transported Daily	62,702

Funding Allocation



APPENDIX E

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION
AND THE BASIC LEASE;
CONTINUING DISCLOSURE CERTIFICATE; DEFINITIONS**

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE BASIC LEASE; CONTINUING DISCLOSURE CERTIFICATE; DEFINITIONS

The following is a brief summary of certain provisions of the General Bond Resolution and the Basic Lease together with definitions of terms used in this Official Statement. The summary and the definitions do not purport to be comprehensive or definitive. All references herein to the General Bond Resolution and the Basic Lease are qualified in their entirety by reference to such documents, copies of which are available for review prior to the issuance and delivery of the Bonds offered hereby, at the offices of the Issuer and thereafter at the offices of the Registrar and Paying Agent. All references to Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the Series Resolution and in the General Bond Resolution.

GENERAL BOND RESOLUTION

Authorization of Bonds; Authorization of Basic Lease. The General Bond Resolution authorizes the issuance of Bonds in one or more Series and creates a continuing lien on the Security to secure the full and final payment of the principal or Redemption Price of and interest on all of the Bonds. In connection with the issuance of Bonds pursuant to Series Resolutions, the General Bond Resolution authorizes the execution and delivery of the Basic Lease and Supplemental Leases thereto.

General Provisions for Issuance of Bonds. One or more Series of Bonds other than Refunding Bonds may be authenticated and delivered pursuant to a Series Resolution in such principal amount or amounts for each such Series as may be determined from time to time by the Issuer for the purpose of paying or providing for the payment or refinancing of all or a portion of the costs of one or more Projects. One or more Series of Refunding Bonds may be authenticated and delivered to refund all or part of the Outstanding Bonds (or portions thereof). The Issuer may issue Notes under the General Bond Resolution in anticipation of the issuance of a Series of Bonds. Such Notes shall be in a principal amount not exceeding the anticipated principal amount of such Series, plus, in the sole discretion of the Issuer, interest on such Notes. The proceeds of Bonds in anticipation of which the Notes are issued may be pledged for the payment of such Notes, and such pledge shall have priority over any other pledge created in the General Bond Resolution.

Funds and Accounts. With respect to each Series of Bonds, there are created and established the following trust funds and accounts to be held and designated as follows: [i] to be held by a Depository Bank, the Construction Fund; [ii] to be held by a Paying Agent, the Debt Service Fund, and within the Debt Service Fund: the Principal Account, the Interest Account and the Bond Purchase Account; and [iii] to be held by a Depository Bank, the Maintenance Fund. Each Depository Bank and each Paying Agent shall maintain, only for accounting purposes, such Series Accounts, Series Subaccounts and Project Subaccounts as it deems necessary or desirable for the administration of the General Bond Resolution and for the

accounting of deposits and allocations of funds and credits, and such Series Accounts, Series Subaccounts and Project Subaccounts as may be directed in a Series Resolution or Supplemental Resolution.

Construction Fund. With respect to each Series, there shall be deposited in the Construction Fund all moneys delivered to the Depository Bank for such purpose, and moneys in the Construction Fund shall be applied in accordance with the requisition procedures set forth in the General Bond Resolution, but the Depository Bank shall transfer from the Construction Fund to any Paying Agent for deposit in the Interest Account and the Principal Account of the Debt Service Fund, as required, moneys for the payment of Principal Installments of, or interest on, any Outstanding Bonds as to which there would otherwise be a default in payment, in such amounts and at such times as are required to avoid any such default unless the Paying Agent is otherwise restricted from doing so with respect to Subordinated Debt. If all moneys to be disbursed in respect of any Project have been disbursed and the Depository Bank has received the documents provided for in the General Bond Resolution, the balance in the Project Subaccount within the Construction Fund and all investment earnings attributable thereto shall be transferred to the Debt Service Fund.

Debt Service Fund. Moneys or other assets received by a Paying Agent for deposit in the Debt Service Fund and all investment earnings thereon and proceeds therefrom shall be retained therein to the extent and for the purposes set forth in the General Bond Resolution. There shall be deposited in the Debt Service Fund with respect to each Series: [i] any proceeds of such Bonds provided to be deposited therein, and any amounts representing accrued interest, if any, and capitalized interest, if any, shall be deposited in the Interest Account of the Debt Service Fund, [ii] any amounts from any other Fund or Account required to be deposited therein or transferred thereto by the General Bond Resolution, [iii] any funds received by the Issuer under a Lease or Participation Agreement for a Series of Bonds for the purpose of enabling the Paying Agent to make the payments required to be made from the Debt Service Fund for which funds have not been otherwise provided, [iv] any Appropriation or other funds available or required or directed to be deposited in the Debt Service Fund for a Series of Bonds, and [v] any other Pledged Receipts or other amounts available to be deposited in the Debt Service Fund.

From the Pledged Receipts, with respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution for a particular Series of Bonds, the Issuer shall pay the following amounts in the following order and at the following times, to the extent funds are available therefor: [i] first, to each Paying Agent for deposit in the Interest Account or the Principal Account of the Debt Service Fund, as applicable, ten business days or more prior to any Interest Payment Date or Principal Installment Date, the amount necessary, together with any amounts then on deposit in the Interest Account or the Principal Account, to accumulate the sum of the interest on Bonds other than Subordinated Debt to become due on such Interest Payment Date and the sum of the Principal Installments of Bonds other than Subordinated Debt to be payable on such Principal Installment Date; [ii] second, to each Paying Agent for deposit in the Interest Account or the Principal Account of the Debt Service Fund, as applicable, ten business days or more prior to any Interest Payment Date or Principal Installment Date, the amount necessary, together with any amounts then on deposit in the Interest Account or the Principal Account, to accumulate the sum of the interest on Subordinated Debt to become due on

such Interest Payment Date and the sum of the Principal Installment of Subordinated Debt to be paid on such Principal Installment Date; [iii] third, to the Board, at any time, the excess, if any, of [a] the sum of the amounts on deposit with the Paying Agents in the Debt Service Fund over [b] the amount of the required payments of Principal Installments and interest on all Bonds of each Series then Outstanding during the next succeeding six calendar months; [iv] fourth, to the Paying Agents for deposit in the Principal Account and the Interest Account of the Debt Service Fund, at any time, to effect a purchase of Term Bonds in accordance with the General Bond Resolution; [v] fifth, to the Paying Agents for deposit in the Bond Purchase Account of the Debt Service Fund, at any time, to effect a purchase of Bonds in accordance with the General Bond Resolution; and [vi] sixth, to the Maintenance Fund, at any time, the amount directed to be transferred thereto in a Certificate. If the amount transferred in each period to the credit of any Fund or Account under the above provisions shall be less than the required amount, the requirement therefor shall be cumulative and the amount of any deficiency in any period shall be added to the amount otherwise required to be deposited to the credit of such Fund or Account in each period thereafter until such time as such deficiency shall be remedied. With respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution, the Paying Agent shall pay from the Interest Account on [i] each Interest Payment Date, the amounts required for the payment of interest on the Outstanding Bonds due on such date and [ii] the date of redemption or purchase, the amounts required for the payment of accrued interest on Bonds redeemed or purchased for retirement unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by such Paying Agent to such payments. With respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution, to the extent funds are available therefor, the Paying Agent shall pay from moneys credited to the Principal Account, on each Principal Installment Date for any of the Outstanding Bonds, the amounts required for the payment of Principal Installments due on such date and such amounts shall be applied by such Paying Agent to such payment.

Except as may be otherwise provided in a Series Resolution, the Issuer may, but in no event less than 45 days prior to the succeeding Principal Installment Date on which a Sinking Fund Installment is scheduled to be due, direct a Paying Agent to purchase, with moneys that shall be paid by the Issuer for deposit to the Interest Account and the Principal Account of the Debt Service Fund for a Series, to the extent any such moneys have been deposited in the Debt Service Fund for the payment of such Sinking Fund Installment, at a price not in excess of par plus accrued interest to the date of such purchase, Term Bonds payable from such Sinking Fund Installment, and any Term Bonds so purchased shall be canceled by the Paying Agent and evidence of such cancellation shall be given to the Issuer and the aggregate principal amount of the Term Bonds so purchased shall be credited against the Sinking Fund Installment due on such Principal Installment Date.

Maintenance Fund. There shall be deposited with a Depository Bank to the credit of the Maintenance Fund with respect to each Series of Bonds: [i] any proceeds of such Bonds so provided to be deposited by any Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution, [ii] any amounts from any other Fund or Account required to be deposited therein or transferred thereto by the General Bond Resolution, [iii] any funds received by the Issuer under a Lease or Participation Agreement for the purpose of meeting the Issuer's requirements for the Maintenance Fund for which funds have not been otherwise provided under the General Bond Resolution, [iv] any Appropriation or other

funds available or required or directed to be deposited in the Maintenance Fund for a Series of Bonds and [v] any other Pledged Receipts or other amounts available to be deposited therein.

Amounts in the Maintenance Fund shall be used and expended to pay or reimburse the Issuer or the Board for the payment of the costs of maintaining and insuring the Projects financed pursuant to the General Bond Resolution, at the direction and in the sole discretion of the Issuer (except as may be otherwise provided in a Series Resolution or Participation Agreement or with respect to Subordinated Debt), and shall be paid out by the Depository Bank from time to time upon receipt of a written requisition of the Board. The Depository Bank shall transfer from the Maintenance Fund to any Paying Agent for deposit in the Interest Account and the Principal Account of the Debt Service Fund, as required, moneys for the payment of Principal Installments of, or interest on, any Outstanding Bond as to which there would otherwise be a default in payment, in such amounts and at such times which are required to avoid any such default unless the Paying Agent is otherwise restricted from doing so by a Series Resolution or Participation Agreement or with respect to Subordinated Debt.

Disposition of Amounts Subject to Rebate. Notwithstanding any provisions of the General Bond Resolution to the contrary, any Depository Bank and any Paying Agent, respectively, shall transfer all amounts determined by a Paying Agent to be subject to the rebate provisions of Section 148(f) of the Code (or any successor provision), as they are received, from the Fund or Account with respect to which such amounts are earned to any Rebate Fund established for such purpose in, and in accordance with the terms of, any Series Resolution authorizing the issuance of a Series of Bonds.

Investments. All moneys in each Fund and Account shall be continuously invested in Qualified Obligations to the full extent practical. The Depository Bank or the Paying Agent, as required, shall sell or reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amount contemplated to be paid therefrom.

Credits to Board and Commission. All amounts transferred or credited to the Debt Service Fund from any Fund or Account with respect to a Series of Bonds shall be allowed as a credit against the payments otherwise required to be made, first by the Board under a Lease with respect to such Series, and, second, by the Commission under a Participation Agreement with respect to such Series, except to the extent otherwise provided in the General Bond Resolution or in such Lease or Participation Agreement, if any, or in a Supplemental Resolution or a Series Resolution under which a Series of Bonds is authorized to be issued or other action under and pursuant to the General Bond Resolution.

Open Market Purchases. The Issuer may, so long as no Event of Default shall then be existing, purchase Outstanding Bonds, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to the maturity, option to redeem, interest rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would have been payable to the Holders of such Bonds under the provisions of the General Bond Resolution if such Bonds had been called for redemption on the next permissible redemption date. The Issuer shall pay to the Paying Agent for deposit in the Bond Purchase Account the purchase price of the Bonds to be so

purchased and the Paying Agent shall purchase such Bonds; provided, however, that [i] no such purchase shall be made within the period of 45 days preceding any Interest Payment Date on which such Bonds are subject to a call for redemption under the provisions of the General Bond Resolution, and [ii] Bonds of a Series shall be purchased solely from moneys deposited for the payment of the principal or Redemption Price of and interest on such Series. If one or more Term Bonds are purchased pursuant hereto, then the principal amount of the Term Bonds so purchased shall be credited against such Sinking Fund Installments for such Term Bonds, as the Issuer shall direct.

Unclaimed Moneys. All amounts that a Paying Agent shall withdraw from the Debt Service Fund or shall have received from any other source and set aside or deposited with itself or any Fiduciary for the purpose of paying Bonds, either at maturity or otherwise, or for paying interest when due on Bonds, shall be held in trust for the respective Holders of such Bonds; provided, however, that any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holder of any Bond for a period of five years after the date on which such Bond shall become payable, shall be paid to the Issuer and thereafter the Holder of such Bond shall look only to the Issuer for payment and then only to the extent of the amounts so received without any interest thereon, and the Paying Agent and any such Fiduciary shall have no responsibility with respect to such moneys.

Covenants of the Issuer. The Issuer covenants that it shall duly and punctually pay or cause to be paid the Bonds on the dates, at the places, in the manner and solely from the Security. If contemplated by a Participation Agreement, the Issuer covenants to the extent permitted by law that, if at any time the principal of or interest on the Bonds becomes past due or if a deficit is projected to occur during the next biennial period, then the Issuer shall immediately make a formal request in writing to the Governor of the Commonwealth that sums adequate [i] to pay in full any past due principal of and interest on the Bonds and [ii] to fund any projected deficit during the next biennial period, be included in the next succeeding executive budget, as an Appropriation to the Commission, and that such budget request be presented to the Kentucky General Assembly with recommendation for approval of such an Appropriation. Any such request for Appropriations shall be considered separately and apart from any appropriations made by the Kentucky General Assembly for any other or similar programs established prior to or subsequent to the effective date of the General Bond Resolution. The Issuer further covenants that no use will be made of the proceeds of the Bonds or the Notes or of any moneys in the Funds and Accounts and no other action shall be taken or omitted to be taken that will cause any Bonds or Notes issued as “tax-exempt bonds” (as defined in Section 150(a)(6) of the Code) to be or become “arbitrage bonds” within the meaning of Section 148 of the Code.

The Issuer covenants that it shall keep or cause to be kept proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Bonds, the Funds and Accounts, and the Projects, which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five percent in principal amount of Bonds then Outstanding or their representatives duly authorized in writing. The Issuer shall maintain or cause to be maintained on file copies of all certifications or requisitions under which moneys were withdrawn from any Fund or Account.

The Issuer covenants to prepare and, upon written request, to furnish to any Holder of Outstanding Bonds, [i] within 60 days after July 1 of each year, an Annual Budget and [ii] within 120 days after July 1 of each year, complete financial statements in reasonable detail, audited by an independent accountant, for the preceding Fiscal Year. The Annual Budget shall set forth for such Fiscal Year the estimated Pledged Receipts, Principal Installments and interest due and payable or estimated to become due and payable during such Fiscal Year and estimated Operating Costs, if any. The Issuer may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. The Issuer shall not incur Operating Costs in any Fiscal Year in excess of the reasonable or necessary amount thereof, and shall not expend, except as permitted in the next sentence hereof, any amount or incur any indebtedness for Operating Costs for such period in excess of the amounts provided therefor in the Annual Budget as originally prepared or as amended. This does not limit the amount which the Issuer may expend for Operating Costs in any Fiscal Year, provided any amounts expended therefor in excess of such Annual Budget shall be received by the Issuer from some source other than the sources permitted and provided for in the General Bond Resolution.

The Issuer covenants to take all actions and perform all rights of the Issuer set forth in the Act and each Lease and Participation Agreement for the benefit and security of the Bondholders in timely and due fashion, including without limitation, the interception, to the extent permitted by law, of [i] aid from or payable through the Commonwealth to the Board or the Commission, as applicable, in default under a Lease or a Participation Agreement, [ii] the proceeds of any revenue-sharing payable by the Commonwealth to the Board or the Commission and [iii] any other entitlement from or payable or administered by the Commonwealth to, or for the benefit of, or to be administered by the Board or the Commission.

The Issuer shall perform all duties with reference to each Project financed under the General Bond Resolution and the Bonds imposed by the Constitution and laws of the Commonwealth, including the charging and collecting of sufficient rentals to pay principal of, Redemption Price and interest on the Bonds, plus the maintenance and insurance costs of the Project, and shall segregate the rentals under every Lease and Supplemental Lease and apply them to the Funds and Accounts created by the General Bond Resolution in accordance with the terms thereof. The Issuer shall use its best efforts, subject to the limitations of the Constitution and laws of the Commonwealth, to cause to be produced annually by taxation for the Board a sum sufficient to pay the rentals under every Lease and Supplemental Lease. The Issuer shall not sell, mortgage or in any other manner dispose of the Project, including any and all additions, extensions and improvements that may be made thereto, or otherwise materially adversely affect the Security, except as may be otherwise permitted pursuant to the General Bond Resolution, until all the Bonds are paid in full.

Option to Purchase Leased Premises. The Issuer grants to the Board the option to purchase any or all of the Leased Premises financed with the proceeds of a Series of Bonds and subject to the Lease free and clear of the statutory mortgage lien and the Lease at any time during the term of the Lease by directing the Issuer to exercise immediately its option to pay or redeem all Outstanding Bonds of that Series in accordance with the General Bond Resolution and by paying directly to the Paying Agent or Paying Agents the amount necessary to duly effect or provide for such payment or redemption and expenses associated therewith.

The Issuer grants the Board the option to purchase at any time a portion of the Leased Premises financed with a Series of Bonds free and clear of the statutory mortgage lien and the Lease by directing the Issuer to exercise immediately its option to pay or redeem, or provide for the payment or redemption of, a Pro Rata Share of the Outstanding Bonds of that Series in accordance with the General Bond Resolution, by paying directly to the Paying Agent or Paying Agents the amount necessary to duly effect or provide for such payment or redemption and expenses associated therewith.

Upon the full payment and retirement of the Bonds, or provision for the full payment and retirement thereof pursuant to the General Bond Resolution, the Lease shall automatically terminate and the Issuer shall convey the Leased Premises to the Board free and clear of the statutory mortgage lien and the Lease at the earliest practicable time.

Amendment to Lease. No amendment to the Lease shall be effective unless it is in writing, is executed by both parties, and is consistent with or permitted by the General Bond Resolution.

Series Resolutions and Supplemental Resolutions Effective Without Consent of Bondholders. The Issuer may adopt at any time and from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Paying Agent or Paying Agents of a certified copy thereof: [i] to provide for the issuance of a Series of Bonds pursuant to the provisions of the General Bond Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed; [ii] to add additional covenants and agreements of the Issuer for the purpose of further securing the payment of the Bonds; [iii] to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Issuer; [iv] to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the General Bond Resolution; [v] to confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of the General Bond Resolution; [vi] to modify, amend or supplement any of the provisions of the General Bond Resolution or any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided only that such modifications, amendments or supplements, as the case may be, are not in the Opinion of Counsel to the detriment of the Holders of Bonds of any Series Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution; [vii] to cure any ambiguity or defect or inconsistent provision in the General Bond Resolution or to insert such provisions clarifying matters or questions arising under the General Bond Resolution as are necessary or desirable, if any such modifications are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; [viii] to provide such additional terms and to create and establish such Rebate Funds as may be required to provide for compliance with any applicable federal or state laws, including without limitation Section 148 of the Code; or [ix] to supplement or amend any provisions of the General Bond Resolution in connection with the issuance of Subordinated Debt so long as such supplements or amendments are not to the detriment of the rights, remedies or security of the Holders of the Outstanding Bonds.

Series Resolutions and Supplemental Resolutions Effective With Consent of Bondholders. The General Bond Resolution may also be modified, amended or supplemented at

any time or from time to time by a Series Resolution or Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions on amendments set forth below.

Amendment to General Bond Resolution. Any modification or amendment of the General Bond Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds in any particular, may be made by a Series Resolution or Supplemental Resolution, with the written consent given as provided in the General Bond Resolution of [i] if less than all of the Series of Bonds are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given or [ii] if the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least two-thirds in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any such calculation of Outstanding Bonds; and provided, further, no such modification or amendment shall permit a change in the term of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment without the consent of all Holders of Bonds Outstanding.

General Bond Resolution To Constitute Contract. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, in consideration of the purchase and acceptance of the Bonds by all Persons who shall purchase and hold the Bonds from time to time, the General Bond Resolution shall be deemed to be and shall constitute a contract among the Issuer, the Fiduciaries and the Bondholders, and the provisions thereof are covenants and agreements with such Holders which the Issuer determines to be necessary and desirable for the security and payment thereof. The provisions, covenants and agreements set forth in the General Bond Resolution to be performed on behalf of the Issuer shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution. However, no representation or covenant of the Issuer in the General Bond Resolution or in any other proceeding, document or certification incidental to issuance of the Bonds shall create any indebtedness or liability of the Issuer, except to the extent of the Pledged Receipts and the other Security.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, [i] any Bondholder, either at law or in equity, by suit, action, mandamus or other proceedings, may enforce and compel the performance of all duties imposed by the General Bond Resolution or by the laws of the Commonwealth, including the

charging and collection of sufficient rentals, the segregation of revenues and gross income, and the application thereof, and may by such action compel the performance of all duties imposed in the operation of an adequate school system as provided by the laws of the Commonwealth, but only insofar as the failure to perform such duties would or could impair the interests of such Bondholder; and [ii] if there is a default in the payment of the principal of, Redemption Price or interest on any of the Bonds, then upon the filing of suit by any Bondholder, any court having jurisdiction of the action may appoint a receiver to administer the property on behalf of the Issuer or the Board or both of them, with power to charge and collect rentals sufficient to provide for the payment of any Bonds and any other obligations Outstanding, for the payment of operating, maintenance and insurance expenses, and to apply the Pledged Receipts and the other Security in conformity with the General Bond Resolution and the laws of the Commonwealth.

Events of Default and Remedies Under General Bond Resolution. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, each of the following events is hereby declared an “Event of Default” under the General Bond Resolution: [i] failure to make due and punctual payment of any Principal Installment when and as the same shall become due and payable, whether at maturity or upon redemption or otherwise; [ii] failure to make due and punctual payment of any installment of interest on any of the Outstanding Bonds when and as the same shall become due and payable; or [iii] failure or refusal by the Issuer to comply with the provisions of the Act or to perform, observe or fulfill any of the covenants, agreements or conditions on its part to be observed, performed or fulfilled contained in the General Bond Resolution, any Series Resolution or Supplemental Resolution, or the Bonds, and such failure or refusal shall continue for a period of 45 days after written notice thereof by the Holders of not less than 25% in principal amount of the Outstanding Bonds.

In addition to other remedies described in the General Bond Resolution, and except as otherwise provided pursuant to the General Bond Resolution for a particular Series of Bonds (including but not by way of limitation, the provisions of any Participation Agreement entered into in accordance with the General Bond Resolution), upon the happening and continuance of any Event of Default specified in the General Bond Resolution, then the Holders of not less than 25% in principal amount of the Outstanding Bonds may proceed, in their own name, subject to the provisions of the General Bond Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies, as they shall deem necessary or desirable to protect and enforce such rights: [i] by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Issuer to enforce, collect and receive rental payments adequate to carry out the covenants and agreements as to, and pledge of, Pledged Receipts and the other Security, and to require the Issuer to carry out any and all other covenants or agreements with Bondholders and to perform its duties under the Act; [ii] by bringing suit upon the Bonds; [iii] by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds; [iv] by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; [v] by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or [vi] if all Bonds are declared due and payable, by selling the Qualified Obligations and all other assets of the Issuer (to the extent not theretofore set aside either for redemption of Bonds for which call

has been made or pursuant to provisions of the General Bond Resolution relating to moneys set aside for the payment of Bonds) subject to the lien of the General Bond Resolution, and enforcing all Leases and Participation Agreements to the fullest legal extent in the name of the Issuer for the use and benefit of the Holders of Bonds.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, in the enforcement of any rights and remedies under the General Bond Resolution, the Bondholders shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for the principal or Redemption Price of and interest on the Bonds unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, if any, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Bonds, without prejudice to any other right or remedy of the Bondholders, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Priority of Payments After Default. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, if upon the happening and continuance of any default, the funds held by the Fiduciaries shall be insufficient for the payment of any Principal Installment and interest then due on the Bonds, such funds (other than funds held pursuant to the General Bond Resolution relating to moneys set aside for the payment of Bonds) and any other moneys received or collected by the Bondholders, acting pursuant to the Act and the General Bond Resolution after making provision for the payment of any expenses necessary to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performances of their duties under the General Bond Resolution, shall be applied by the Fiduciaries as follows: [i] unless the principal of all of the Bonds shall have become or have been declared due and payable: [a] to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installments, then to the payment thereof ratably, accordingly to the amounts due on such installments, to the persons entitled thereto, without any discrimination or preference; and [b] to the payment to the Persons entitled thereto of the unpaid Principal Installment of any Bonds which shall have become due, whether at maturity or by redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of the Principal Installment due on such date, to the Persons entitled thereto, without any discrimination or preference; and [ii] if the principal of all of the Bonds shall have become or have been declared due and payable, then, except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, accordingly to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series: [i] whenever moneys are to be applied pursuant to these provisions, such moneys shall be applied by each Fiduciary at such times, and from time to time, as the Fiduciary in its sole discretion shall determine, having due regard to the need to make payment of any expenses necessary to protect the interests of the Holders of the Bonds, the amount of such moneys available for application and the likelihood of additional money becoming available for application in the future; [ii] the deposit of such moneys with the Fiduciaries, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Fiduciaries, and a Fiduciary shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Fiduciary acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the General Bond Resolution as may be applicable at the time of application by the Fiduciary; and [iii] whenever the Fiduciary shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Fiduciary shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Fiduciary shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Paying Agent for appropriate endorsement or for cancellation if fully paid.

Termination of Proceedings. If any proceedings taken by the Holders of the Bonds on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Issuer, the Fiduciaries and the Bondholders shall be restored to their former positions and rights under the General Bond Resolution respectively, and all rights, remedies, powers and duties of the Bondholders and the Fiduciaries shall continue as though no such proceeding had been taken.

Bondholders' Direction of Proceedings; Limitation on Rights of Bondholders. Anything in the General Bond Resolution to the contrary notwithstanding, but except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, the Holders of the majority in principal amount of Bonds then Outstanding shall have the right to direct the method of conducting all remedial proceedings to be taken under the General Bond Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the General Bond Resolution, and that a Fiduciary shall have the right to decline to follow any such direction which in the opinion of the Fiduciary would be unjustly prejudicial to Bondholders not parties to such direction. No Bondholder or Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the General Bond Resolution, or to enforce any right thereunder or under law with respect to the Bonds or the General Bond Resolution, except in the manner therein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the General Bond Resolution and for the benefit of all Holders of the Outstanding Bonds except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series. Anything in the General Bond Resolution to the contrary notwithstanding, but except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, each Holder of any Bond by the acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the General Bond Resolution or any Series Resolution or Supplemental

Resolution, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess such reasonable costs (including reasonable attorneys' fees) against any party litigant in any such suit having due regard to the merits and good faith of the claims or defenses made by such party litigant; but these provisions shall not apply to any suit instituted by any Bondholder, or group of Bondholders, holding at least 25% in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholders for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Notice Of Event Of Default. Except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, any Paying Agent shall give to the Bondholders and all other Fiduciaries notice of each Event of Default under the General Bond Resolution known to the Paying Agent within ninety days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal Installment or interest on any of the Bonds, the Paying Agent shall be protected in withholding such notice, if any, so long as the Paying Agent in good faith determines that the withholding of such notice is in the interest of the Bondholders.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to Holders of the Bonds, such amounts as will, taking into account the investment earnings therefrom, fully provide for all of the principal or Redemption Price of and interest to become due on a particular Series of Bonds, at the times and the manner stipulated therein and in the General Bond Resolution, then and in that event as to that particular Series of Bonds the General Bond Resolution shall cease, determine, and become null and void, and the covenants, agreements and other obligations of the Issuer thereunder shall be satisfied and discharged for that particular Series of Bonds, and in such event, each Fiduciary shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Issuer, on behalf of the parties entitled thereto, all moneys, securities or obligations held by them pursuant to the General Bond Resolution which are not required for such payment or redemption for that particular Series of Bonds.

Bonds (or portions thereof) or interest installments of a particular Series of Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by Fiduciaries shall, at the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Bonds or interest installments of a particular Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if: [i] if any of the Bonds (or portions thereof) are to be redeemed on a date prior to their maturity, the Issuer shall have given to a Paying Agent irrevocable instructions to give notice of redemption of such Bonds (or portions thereof) on such date as provided in the Series Resolution authorizing the issuance of such Series of Bonds; [ii] there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or Governmental Obligations or Municipal Obligations, the principal of and the interest on which when due will

provide moneys in an amount which shall be sufficient, or Governmental Obligations or Municipal Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Paying Agent, shall be sufficient to pay when due the principal or Redemption Price of and interest (or interest installments) due and to become due on such Bonds (or portions thereof) on and prior to the redemption date or maturity date thereof, as the case may be; and [iii] if Bonds (or portions thereof) are redeemed within the next succeeding sixty days, the Issuer shall have given the Paying Agent irrevocable instructions to notify as soon as practicable, the Holders of such Bonds by United States first-class mail, postage prepaid, at least thirty days prior to the redemption date. Any cash received from such principal or interest payments on such Governmental Obligations or Municipal Obligations, deposited with the Paying Agent, if not then needed for such purpose, shall to the extent practicable, be reinvested in Governmental Obligations or Municipal Obligations, maturing at times and in amounts sufficient to pay when due the principal or Redemption Price of and interest to become due on such Bonds (or portions thereof) on and prior to such redemption date or maturity date thereof.

If, through the deposit of moneys by the Issuer or otherwise, the Fiduciaries shall hold, pursuant to the General Bond Resolution or a Series Resolution or Supplemental Resolution, moneys sufficient to pay the principal and interest to maturity on all Outstanding Bonds of a Series or in the case of Bonds of a Series in respect of which the Issuer shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such redemption date, then at the request of the Issuer all moneys held by any other Fiduciary with respect to that Series shall be paid over to the Paying Agent and, together with other moneys held by it under the General Bond Resolution, shall be held by the Paying Agent for the payment or redemption of the designated Outstanding Bonds of such Series.

Miscellaneous Provisions. Any request, consent, revocation of consent or other instrument which the General Bond Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys-in-fact appointed in writing with such proof as shall be required by the Issuer or a Fiduciary. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith. The Issuer expressly reserves the right to issue Subordinated Debt under the General Bond Resolution, to adopt one or more additional general bond-authorizing resolutions or trust indentures or similar documents, and to issue other obligations, payable from or secured by collateral other than the Pledged Receipts. Nothing in the General Bond Resolution or in any Series Resolution or Supplemental Resolution adopted pursuant to the provisions thereof, express or implied, is intended or shall be construed to confer upon or to give to any person or party other than the Issuer, the Fiduciaries and the Holders of the Bonds, any rights, remedies or claims under or by reason of the General Bond Resolution or any Series Resolution or Supplemental Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in the General Bond Resolution and any Series Resolution or Supplemental Resolution contained by or on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries and the Holders from time to time of the Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the General Bond Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any

member, officer, director or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on the General Bond Resolution against any member, officer, director or employee of the Issuer or any natural person executing the Bonds.

BASIC LEASE

Lease of Premises; Lease Term. In connection with each Series of Bonds, each Project financed thereby shall be leased to the Board pursuant to a Lease or Supplemental Lease and occupied as a revenue-producing undertaking on a year-to-year basis. The Issuer leases and rents to the Board the Leased Premises for an annual term ending June 30 of each Fiscal Year and continuing automatically thereafter, unless the Board elects to terminate the Lease at the end of any then current term thereof by at least ninety (90) days' prior written notice to the Issuer. The Issuer shall do nothing to interfere with the Board's quiet and exclusive possession of the Leased Premises throughout the term of the Lease, provided there be no Event of Default.

The Board leases the Leased Premises subject to all conditions affecting the title to same, including but not limited to any statutory mortgage liens and any leases with the City of Louisville or Jefferson County, Kentucky, that affect the property pursuant to any outstanding school building revenue bond issues as may have been theretofore issued from time to time pursuant to KRS Chapter 162 or otherwise. The Board assumes all risks, if any, resulting from any present or future, latent or patent defects therein, or from the failure of the Leased Premises to comply with any legal requirements applicable thereto. The Issuer has made no representations as to the state of title or condition of the Leased Premises or their suitability for use and occupancy by the Board, and the Issuer leases the Leased Premises to the Board "as is."

Rental Payments. During the term of the Basic Lease, the Board is required to pay to or for the account of the Issuer, as rental payments in amounts and at the times sufficient to pay the principal of, interest, and Redemption Price, if any, on the Bonds when and as the same become due, together with all costs and expenses of Fiduciaries under the General Bond Resolution when and as the same become due and all amounts required to be deposited in any Fund or Account under the General Bond Resolution, in any case unless and until the same are paid by the Issuer from other revenues or assets of the Issuer, and all Operating Costs and costs of maintaining and insuring the Leased Premises.

Insurance. Subject to the right of the Board to self-insure through an established program of self-insurance, under the Basic Lease the Board is required to continuously during the term of the Lease insure against such risks and in such amounts with respect to the Leased Premises as are generally insured against with respect to properties of like size and character, including at least, but not limited to [i] broad form insurance to the extent of the full insurable value of the Leased Premises (recognizing that certain portions thereof may not be exposed to certain risks) or the aggregate outstanding principal amount of Bonds under the General Bond Resolution, whichever amount is greater, for loss or damage by fire, lightning and windstorm or other hazard, casualty or calamity, with standard extended coverage, vandalism and malicious mischief endorsement and [ii] public liability insurance with reference to the Leased Premises, in minimum amounts of one million dollars for personal injury or death and one million dollars for property damage, in respect of each occurrence. In addition, the Board is to include the Leased

Premises in its comprehensive general liability policies. All required insurance policies shall be with insurance companies qualified to do business in the Commonwealth, shall name the Issuer as an additional insured as its interest may appear, and may be written with exceptions and exclusions comparable to those in similar policies carried by others with respect to properties of similar size, character and other respects to the Leased Premises. The required insurance may be in the form of blanket insurance policies and may be provided by so-called umbrella coverage. All insurance claims may be adjusted by the Board alone, and all insurance proceeds for loss or damage to the Leased Premises shall be payable to the Board for application to the repair or restoration of the Leased Premises and the excess, if any, shall be deposited to the credit of the Maintenance Fund established under the General Bond Resolution.

Use and Maintenance under the Lease. The Board shall use the Leased Premises for educational purposes at all times during the term of the Basic Lease. The Board shall, during the term of the Lease, at its own expense, maintain the Leased Premises in good condition, repair and working order and shall pay all utility charges, all governmental charges, if any, that may be laid, assessed, levied or imposed or become due and payable or create a lien on any part of the Leased Premises and any other costs incurred in the operation, maintenance, use and occupancy of the Leased Premises. The Board shall, at its own expense, make or cause to be made from time to time all necessary repairs, renewals and replacements thereof, ordinary wear and tear and obsolescence excepted. The Board shall comply with all applicable governmental, health, sanitation, environmental, fire and safety requirements and all other governmental regulations or requirements. If destruction, total or partial, ensues so as to make the Leased Premises or any portion thereof untenable for the purposes intended, such destruction shall not operate as a surrender or cancellation of the Lease and shall not relieve the Board from any obligations under the Lease, but the Board agrees to repair or restore the affected portion of the Leased Premises to the condition that existed prior to such destruction, to the extent insurance proceeds are sufficient for such purposes, or if the insurance proceeds are insufficient, the Board agrees to repair or restore the affected portion of the Leased Premises to a tenantable condition with the Board's own funds or to purchase the affected portion in accordance with its option under the Basic Lease, in either case, to the extent funds are legally available for such purpose.

Modifications and Improvements. Subject to the statutory mortgage lien elsewhere described herein, the Board may, at its own cost and expense, remodel the Leased Premises or make modifications or improvements thereon or thereto from time to time as it, in its discretion, may deem to be desirable for its uses and purposes; provided that the security afforded by the statutory mortgage lien is not diminished thereby and provided, further, that the Board shall not permit any laborers', mechanics' or materialmens' liens to attach to the Leased Premises by reason thereof.

The Issuer and the Board acknowledge the statutory mortgage lien which exists pursuant to KRS 162.200, but only upon the application of the proceeds of any Series of Bonds to each Project, on the Leased Premises and all structures, equipment, fixtures and property of whatever nature thereon and all appurtenances thereto in favor of the owners of the Bonds. The Issuer reserves the right, however, to erect or construct upon the Leased Premises other structures and improvements, whether financed with the proceeds of additional school building revenue bonds, Subordinated Debt or otherwise, provided that the erection or construction of

such improvements shall not unreasonably interfere with, and the improvements shall not diminish the quiet possession of the Leased Premises by the Board.

Other Obligations of Board. The Board may assign its interest in the Basic Lease or sublet the Leased Premises or portions thereof without the consent of the Issuer, provided that the Board shall nevertheless remain primarily liable for the payment of the rentals due under the Lease and for the full performance and observance of all the obligations of the Board under the Lease. The Board covenants to use its best efforts, subject to the limitations of the Constitution and laws of the Commonwealth, during each year that the Basic Lease may be renewed, to cause to be produced annually by taxation revenues sufficient to make the rental payments thereunder and finance all other obligations of the Board thereunder.

Events of Default and Remedies. The occurrence of any of the following events will constitute an Event of Default under the Basic Lease: [i] failure by the Board to pay the rentals in the amounts and at the times provided; [ii] failure by the Board to perform any other obligation on its part to be performed or observed pursuant to the Basic Lease for a period of thirty days after written notice by the Corporation or a Bondholder to the Board specifying such failure and requesting that it be remedied; provided that if the failure be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Board within such period and diligently pursued until such failure is corrected; or [iii] the dissolution or liquidation of the Board; or failure by the Board promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under the Lease; or if the Board becomes insolvent or bankrupt, or makes an assignment for the benefit of its creditors or consents to the appointment of a trustee or receiver for the Board or for the greater part of its properties; or a trustee or receiver is appointed for the Board or for the greater part of its properties without its consent and is not discharged within 45 days; or bankruptcy, reorganization or liquidation proceedings are commenced by or against the Board, and if commenced against the Board are consented to by it or remain undismissed for 45 days.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, whenever any Event of Default shall have occurred and be continuing under the Basic Lease, the Issuer, the Paying Agent or the Bondholders may exercise all of their rights and remedies under the General Bond Resolution and the Lease, and may, without limiting the generality of the foregoing, [i] declare all rental payments due under the Lease to be immediately due and payable; [ii] re-enter and take possession of the Leased Premises without terminating the Lease and sublease the Leased Premises for the account of the Board, holding the Board liable for the difference between the rent and other amounts payable by any sublessee in such subleasing and the rentals and other amounts payable by the Board under the Lease; provided that until the Issuer or a Fiduciary has entered into a firm agreement for the subleasing of the Leased Premises, the Board may at any time pay all accrued basic rentals due (exclusive of accelerated basic rentals) and fully cure all defaults, whereupon the Board shall be restored to its use, occupancy and possession of the Leased Premises; [iii] have access to and inspect, examine and make copies of the books and records of the Board insofar as they relate to the Leased Premises or the Event of Default and the remedying thereof; [iv] take whatever action at law or in equity as may appear necessary or desirable to collect the rental payments then due and thereafter to become due or to enforce performance and observance of any obligation of the

Board under the Lease; [v] pursue all or any legal and equitable remedies available to them, including injunction and specific performance and the appointment of a receiver; or [vi] repair the Leased Premises in order to better sublease or relet the Leased Premises, and the costs and expenses of such repair will become a debt due by the Board to the Issuer or the Bondholders, and the Board will be entitled to reimbursement for such costs and expenses from the first revenues of such sublease or reletting. Notwithstanding the foregoing, neither the Issuer, the Bondholders or any Fiduciary shall be under an obligation or duty to seek any legal or equitable remedies.

Annual Assignment of Board's Right to State Funds. To the extent permitted by law, the Board agrees that during the term of the Basic Lease, and any renewal thereof, and so long as any Bonds remain outstanding, in the event of a failure by the Board to pay the rentals due thereunder, and unless the Commission has received from the Board satisfactory evidence that sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying the rentals when due, the Board will grant under the terms of every Participation Agreement to the Corporation and the Commission the right to notify and request the State 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 the State Department of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals. To the extent permitted by law, the Corporation assigns to the Commission its rights in and to the rentals due under the Lease for the purposes set forth above, and delegates to the Commission the authority to collect the rentals on behalf of the Corporation for transmission to the Paying Agent in the event of a failure by the Board to pay the rentals in a timely manner.

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking. The Board is delivering a Continuing Disclosure Certificate, dated as of the date of original issuance of the Bonds, to the underwriters of the Bonds, in order to assist the underwriters in complying with the requirements of subsection (5) of section (b) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission. The Continuing Disclosure Certificate is also delivered for the benefit of the registered owners from time to time of the Bonds.

The Board undertakes in the Continuing Disclosure Certificate to provide:

a. To each Repository (as defined below) annual financial information for the Board with respect to the fiscal year of the Board ending on the next succeeding June 30, and each fiscal year thereafter;

b. If not submitted as part of the annual financial information, then when and if available, to each Repository, audited financial statements for the Board with respect to the fiscal year of the Board ending on the next succeeding June 30, and each fiscal year thereafter;

c. In a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of any of the following events with respect to the Bonds. The "*Events*" are:

i. Principal and interest payment delinquencies

- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties
- v. Substitution of credit or liquidity providers, or their failure to perform
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Bonds
- vii. Modifications to the rights of security holders, if material
- viii. Bond calls, if material, and tender offers
- ix. Defeasances
- x. Release, substitution or sale of property securing repayment of the Bonds, if material
- xi. Rating changes
- xii. Bankruptcy, insolvency, receivership or similar event of the obligated person
- xiii. NOTE: This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.
- xiv. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

xv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

xvi. 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

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

d. In a timely manner, to each Repository, notice of a failure of the Board to provide required annual financial information, on or before the applicable date, if any, specified below in the Continuing Disclosure Certificate.

“National Repository” means the Municipal Securities Rulemaking Board (<http://emma.msrb.org>).

“Repository” means National Repository and each State Repository.

“State Repository” shall mean any public or private repository or entity designated by the Commonwealth of Kentucky as a state repository for the purpose of the Rule and recognized as such by the Commission. As of the date hereof, there is no State Repository.

The Continuing Disclosure Certificate provides that annual financial information and notices of material events will be provided under the Continuing Disclosure Certificate only for the Board.

The Continuing Disclosure Certificate describes the following types of financial information and operating data to be provided as part of the annual financial information. All references to headings and appendices below are to this final Official Statement for the Bonds, except where otherwise noted:

A. Summary of assessed valuation and bonded debt, as more particularly described in Appendix A, “Operating, Financial and Tax Base Information of the District.” (The Board does not undertake to separately update the reference thereto which appears in the text of the Official Statement under the heading, “Summary Statement.”)

B. Information in Appendix A under the headings, “Operating Information,” “Financial Data,” “General Fund,” “Capital Outlay Fund,” “Building Fund,” “Tax Base Information,” “Property Subject to Taxation,” “History of Assessment Rates,” “Amount of Homestead Exemption,” and “School Tax Collections.”

C. Table of bond issues of the Jefferson County School District Finance Corporation and other issuers on behalf of the District, as more particularly described in “Appendix C - Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2024A Bonds.”

The Continuing Disclosure Certificate provides that the Board does not intend to provide, as part of the annual financial information described above, the financial and economic information contained in Appendix B, “General Information for Louisville/Jefferson County Metro Government,” inasmuch as the Metro Government is neither the issuer of the Bonds nor an “obligated person” with respect to the Bonds and therefore annual information for the Metro Government is not required to be provided by the Rule. The Board reserves the right, however, to provide information on the Metro Government from time to time in the discretion of the Board. The Continuing Disclosure Certificate provides that the future provision by the Board of information on the Metro Government, for a particular year, does not imply that the Board will continue to provide the same information on an annual basis for any subsequent year (unless the Board affirmatively, in writing, undertakes to provide such information).

The Continuing Disclosure Certificate describes the accounting principles pursuant to which financial statements of the Board will be prepared.

The date by which the annual financial information and the audited financial statements for the preceding fiscal year will be provided is each March 1. The annual financial information will be provided to each Repository, to the extent, if any, described above.

The Continuing Disclosure Certificate also provides that all documents provided by the Municipal Securities Rulemaking Board shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

Notwithstanding the foregoing provisions, the Continuing Disclosure Certificate provides that the obligations of the Board will be terminated, effective immediately if and when the Board no longer remains an obligated person with respect to the Bonds. Among other possible reasons, the Continuing Disclosure Certificate provides the Board shall no longer be an obligated person with respect to the Bonds, if the Board terminates the Lease.

The Continuing Disclosure Certificate provides that any right to enforce it shall be limited to obtaining specific enforcement of the Board’s obligations thereunder. The Continuing Disclosure Certificate provides that failure by the Board to comply with it shall not be an event of default under the Bonds, or under the Lease or the Resolution (as defined in the Bonds).

The Continuing Disclosure Certificate provides that the Board from time to time may elect (but is not contractually bound) to provide other periodic reports or financial information, or notice of the occurrence of other events, in addition to those described in the Continuing Disclosure Certificate.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set forth below for purposes of this Official Statement:

“Accountant” means a certified public accountant of recognized standing who is licensed in the Commonwealth or a firm of such certified public accountants.

“Act” means, collectively, [i] KRS Chapter 162, including Sections 162.120 to 162.290 and 162.385, [ii] Chapter 273, including Sections 273.161 to 273.390 and [iii] Chapter 58, including Sections 58.010 to 58.140 and 58.180, as amended or supplemented from time to time.

“Agent Member” shall mean a member of, or participant in, the Securities Depository.

“Appropriation” means an appropriation of money by the Kentucky General Assembly to of for the benefit of the Commission.

“Architect” means, with respect to a Project for which architectural services are to be provided, an architect of recognized standing who is licensed in the Commonwealth or a firm of such architects, who in either case are responsible for providing architectural services to the Issuer with respect to the Project.

“Basic Lease” means the Basic Lease dated August 1, 1989, between the Issuer, as lessor and the Board, as lessee, as amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Bond” or “Bonds” means any revenue bonds or notes or other obligations of the Issuer issued and secured pursuant to and under the General Bond Resolution.

“Bondholder” or “Holder” means any Person who is the registered owner of any Outstanding Bond or Bonds.

“Bond Year” means the Fiscal Year, unless otherwise provided pursuant to the General Bond Resolution with respect to a Series.

“Book-Entry Form” or “Book-Entry System” means, with respect to a Series of Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Bonds and bond service charges may be transferred only through a book entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical Bond certificates in the custody of a Securities Depository.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commonwealth” means the Commonwealth of Kentucky.

“Costs of Issuance” means the costs of issuing a Series of Bonds, including, but not limited to, the fees, charges and expenses of all consultants, advisors, fiscal agents, financial advisors, underwriters, counsel and other professionals, the Depository Bank, the Paying Agent, any other Fiduciary, the rating agencies, any Credit Facility Issuer, and such other fees and expenses as are incident to the issuance and sale of securities or obligations.

“Credit Facility” means any letter of credit, line of credit, policy of bond insurance, standby bond purchase agreement, or other form of credit enhancement which is authorized pursuant to the General Bond Resolution.

“Credit Facility Issuer” means any Person issuing a Credit Facility.

“Debt Service” for any period means, as of any date of calculation and with respect to a Series of Bonds, an amount equal to the sum of [i] interest accruing during such period on Bonds of such Series or Notes issued in anticipation of the Bonds of such Series and [ii] that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from the date of issuance of such Series of Bonds or Notes or a date one (1) year preceding the due date of such Principal Installment, whichever period is shorter). Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, and such interest on such Notes shall be calculated on the assumption that all such Notes shall be retired upon the maturity date or dates thereof. The calculation of interest on Bonds bearing a variable rate of interest shall be made on the assumption that such Bonds bear interest at a fixed rate equal to the rate borne by such Bonds on the date of calculation.

“Depository Bank” means any bank or trust company selected by the Issuer pursuant to the General Bond Resolution as a depository of all or a portion of moneys and investments to be held under the provisions of the General Bond Resolution for a Series, and any successor or successors pursuant to the General Bond Resolution.

“Fiduciary” means, as applicable, any Depository Bank, any Paying Agent and any other bank, trust company or financial institution designated as paying agent for the Bonds or any Series thereof in the manner provided in the General Bond Resolution, and successors.

“Fiscal Year” means the period from each July 1 to and including the next succeeding June 30.

“Governmental Obligations” means [i] direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America and [ii] obligations evidencing ownership interests in any obligation described in [i] held by a custodian in safekeeping on behalf of the holders of such interests.

“Interest Payment Date” means any date on which interest on any Bond or Note shall be due and payable.

“Lease” means collectively, the Basic Lease and any supplement thereto or other lease or similar financing agreement permitted by law between the Issuer, as lessor, and the Board, as lessee, with respect to a Project or Projects or Series of Bonds or Notes, as amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Leased Premises” means the property, land and improvements with respect to the Projects being financed with the Bonds, that are leased by the Issuer to the Board pursuant to the Lease.

“Municipal Obligations” means noncallable obligations validly issued by or on behalf of a state or political subdivision thereof, the interest on which is excludable from gross income for purposes of federal income taxation and which are fully secured by a first lien on Governmental Obligations and rated AAA by Standard and Poor’s Corporation and Aaa by Moody’s Investors Service, Inc.

“Notes” means any bond anticipation notes issued by the Issuer in accordance with the General Bond Resolution.

“Operating Costs” means, as of any date, the operating expenses and all other expenses, if any, incurred by or on behalf of the Issuer or the Board in carrying out and administering the General Bond Resolution, including, without limitation, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, interest and other financing costs, any other debt service on Subordinated Debt, consulting and banking services and expenses, the fees and expenses of the Fiduciaries and any Accountant, and including Costs of Issuance not paid from proceeds of Bonds.

“Opinion of Counsel” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the law of municipal finance or in the law of the subject matter to be covered by the opinion, selected by the Issuer.

“Participation Agreement” means any participation agreement between the Issuer or the Board, as applicable, and the Commission with respect to a Project or Projects or Series of Bonds or Notes, as such participation agreement may be amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Paying Agent” means any paying agent and bond registrar for Bonds of any Series selected by the Issuer pursuant to the General Bond Resolution, and any successor pursuant to the General Bond Resolution.

“Person” means any natural person, corporation, business trusts, partnership, association, governmental agency, or other entity.

“Pledged Receipts” means and includes:

D. All payments received or to be received by the Issuer as rental payments under Leases or receipts under any Participation Agreement (provided that each Participation Agreement shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein) relating to any Series of Bonds or Notes (including both timely and delinquent payments with late charges, if any); and

E. All Appropriations, if any, to the extent required by the terms of any such Appropriation to become part of the Pledged Receipts (provided that each such Appropriation

shall be security only for the Series of Bonds required by the terms of such Appropriation unless otherwise provided therein);

F. Any aid to or revenues or entitlements of the Issuer or the Board duly intercepted by the Commission in accordance with a Participation Agreement, to the extent permitted by law (provided that such intercepted amounts shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein); and

G. All proceeds of the foregoing.

“Principal Installment” means, as of the date of calculation with respect to any Series, so long as any Bonds thereof are Outstanding, [i] the principal amount of the Bonds Outstanding of such Series due on a certain future date and the principal amount of the Term Bonds due on a certain future date payable only by reason of the maturity of such Term Bonds, or [ii] the Sinking Fund Installment due on a certain future date for Term Bonds of such Series or [iii] if such future dates coincide, the sum of such principal amount and of such Sinking Fund installment due on such future date.

“Principal Installment Date” means, for each Series of Bonds, any date on which a Principal Installment shall, upon maturity or by redemption, be due and payable.

“Project” means a project authorized to be financed under the Act and pursuant to the General Bond Resolution.

“Pro Rata Share” means, on the date of calculation, with respect to a Series of Bonds or Notes and any Project, a percentage set forth in the applicable Series Resolution.

“Qualified Obligations” means except as otherwise provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution with respect to a Series of Bonds or Notes, all investments permitted by the law of the Commonwealth, including without limitation, any of the following, to the extent permitted by law, including but not limited to all regulations of the Commission, the State Department of Education and the State Superintendent of Public Instruction, or their successors: [i] to the extent permitted by law, Governmental Obligations; [ii] to the extent permitted by law, any of the following obligations: mortgage-backed securities and participation certificates which are guaranteed by the Government National Mortgage Association; certificates of beneficial ownership issued by the Farmers Home Administration; participation certificates issued by the General Services Administration; obligations of the U.S. Maritime Administration the payment of which is guaranteed under Title XI; guaranteed participation certificates or guaranteed pool certificates of the Small Business Administration; transit bonds of the Washington Metropolitan Area Transit Authority guaranteed by the federal government; debentures of the Federal Housing Administration; debt obligations of the Federal National Mortgage Association (to the extent that such obligations are guaranteed by the Government National Mortgage Association) and of the Federal Home Loan Bank System, the Farm Credit Bank System (i.e. the Federal Intermediate Credit Banks, the Federal Land Banks and Banks for Cooperatives), and the Student Loan Marketing Association (including any debt obligations the principal of and interest on which are

fully secured by and payable from an irrevocable letter of credit issued by the Student Loan Market Association); [iii] to the extent permitted by law, interest-bearing time deposits, certificates of deposit or banker's acceptances (having maturities of not more than 365 days) of any bank, trust company or national banking association (including a Fiduciary), the short-term obligations of which are rated A-1 or higher by Standard & Poor's Corporation and MIG2 or higher by Moody's Investors Service, Inc.; [iv] to the extent permitted by law, fixed income securities (including securities with variable rates of interest or no interest) other than those that do not have a fixed par value or whose terms do not promise a fixed dollar amount at maturity or upon redemption which are rated not less than A by Standard & Poor's Corporation and A by Moody's Investors Service, Inc.; [v] to the extent permitted by law, commercial paper or finance company paper of an issuer which has an original maturity of not more than 365 days and is rated not less than A-1 by Standard & Poor's Corporation and MIG2 or VMIG2 by Moody's Investors Service, Inc.; [vi] money market funds rated Am or Am-G or higher by Standard and Poor's Corporation; and MIG2 or VMIG2 or higher by Moody's Investors Service, Inc.; and [vii] to the extent permitted by law, repurchase agreements with any [1] institution with debt rated A or higher by Standard & Poor's Corporation and A or higher by Moody's Investors Service, Inc. or commercial paper rated A-1 or higher by Standard & Poor's Corporation and MIG2 or VMIG2 or higher by Moody's Investors Service, Inc., or [2] corporation or other entity that falls under the jurisdiction of the Bankruptcy Code, provided that [a] the term of the repurchase agreement is less than one (1) year or is due on demand, [b] the trustee or a third party acting solely as an agent for the trustee has possession of the collateral, [c] the market value of the collateral is maintained at acceptable levels (as determined by the rating agency), [d] failure to maintain such collateral at acceptable levels (as determined by the rating agency) will require the trustee (or a third party agent thereof) to liquidate such collateral immediately, [e] the collateral subject to the repurchase agreement must be either securities described above in clauses [i] or [iii], and [f] such collateral is free and clear of any third party lien or claim, or [3] financial institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (a "SIPC broker") provided that [a] the market value of the collateral is maintained at acceptable levels (as determined by the rating agency), [b] the trustee under the repurchase agreement or a third party acting solely as agent thereof has possession of the collateral, [c] such trustee for the collateral has a perfected first priority security interest therein, [d] such collateral is free and clear of third party liens and in the case of a SIPC broker, was not acquired by a SIPC broker pursuant to a repurchase agreement, and [e] failure to maintain the collateral at acceptable levels (as determined by the rating agency) will require such trustee (or third party agent thereof) to liquidate such collateral immediately.

"Rebate Fund" means, with respect to a Series of Bonds, a trust fund so designated, created and established with a Paying Agent or other Fiduciary for that Series, pursuant to the General Bond Resolution.

"Redemption Price" means, with respect to any Bond, the principal amount thereof plus accrued interest to the redemption date plus the applicable premium, if any, payable upon redemption thereof.

“Refunding Bonds” means any Bonds, whether issued in one or more Series, all or a portion of the proceeds of which are used to refund Bonds (or portions thereof) or obligations (or portions thereof) issued under resolutions, ordinances or trust instruments of any predecessor to the Issuer or any other issuer on behalf of the Board or as may otherwise be lawfully permitted.

“Securities Depository” means any securities depository that is 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, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede & Co., New York, New York, as nominee of The Depository Trust Company.

“Security” means the security for the payment of Bonds and Notes issued under the General Bond Resolution and the performance by the Issuer of its obligations therein, as described under “Security” in the Official Statement.

“Series” means any series of Bonds or Notes designated as such and authorized to be issued by a Series Resolution or other action under and pursuant to the General Bond Resolution.

“Series Resolution” means any resolution of the Issuer authorizing the issuance of a Series of Bonds, adopted by the Issuer in accordance with the General Bond Resolution.

“Sinking Fund Installment” means any payment required to be made by the Issuer with respect to the principal of any Term Bond.

“Subordinated Debt” means any obligations (including Bonds or Notes) of the Issuer issued under the General Bond Resolution pursuant to the terms of a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution, which obligations are subordinated in security or right of payment or both to one or more Series of Bonds or Notes.

“Supplemental Lease” means any lease or similar financing agreement supplemental to or amendatory of the Basic Lease, entered into pursuant to the General Bond Resolution.

“Supplemental Participation Agreement” means any participation agreement supplemental to or amendatory of a Participation Agreement, entered into pursuant to the General Bond Resolution.

“Supplemental Resolution” means any resolution of the Issuer supplemental to or amendatory of the General Bond Resolution, adopted by the Issuer in accordance with the General Bond Resolution.

“Term Bonds” means the Bonds of a Series that shall be stated to mature on one date and that shall be subject to retirement by operation of Sinking Fund Installments.

APPENDIX F
FORM OF BOND COUNSEL OPINION

April __, 2024

Jefferson County School District
Finance Corporation
Van Hoose Education Center
3332 Newburg Road
Louisville, Kentucky 40218

Re: \$ _____
Jefferson County School District Finance Corporation
School Building Refunding Revenue Bonds, Series 2024A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, original issuance and delivery on the date hereof by the Jefferson County School District Finance Corporation (the "Issuer"), an agency and instrumentality of the Board of Education of Jefferson County, Kentucky (the "Board"), of the Issuer's School Building Refunding Revenue Bonds, Series 2024A (the "Bonds").

The Bonds are issued under (i) the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including among others Chapters 162, 273, and 58 of the Kentucky Revised Statutes (collectively the "Act"), (ii) the General Bond Resolution adopted by the Issuer on July 17, 1989 (the "General Bond Resolution"), as amended and supplemented to the date hereof (the "Bond Resolution"), and (iii) the Series Resolution adopted by the Issuer on February 13, 2024 (the "Series Resolution"), amending and supplementing the Bond Resolution. The Bonds are dated on original issuance as of the date hereof and bear interest, mature as to principal, and are payable on such terms as are described in the Series Resolution and the Bond Resolution.

The proceeds of the Bonds are to be used to pay the costs of refunding the Issuer's outstanding School Building Revenue Bonds, Series 2013C and Series 2014A.

Principal of, premium, if any, and interest on the Bonds, in common with and without priority over all other obligations issued and outstanding from time to time on a parity as to security and source of payment under the Bond Resolution, are payable solely from and secured solely by amounts derived from the Debt Service Fund established under the Bond Resolution and the other security provided for in the Bond Resolution, including a lien and charge on the defined revenues pledged under the Bond Resolution and a statutory mortgage lien on the school buildings financed with the proceeds of the bonds issued under the Bond Resolution, subject in each case to the limitations set forth in the Bond Resolution. The Bonds do not constitute an indebtedness of the Issuer or the Board within the meaning of the debt limiting provisions of the Constitution and laws of the Commonwealth.

As bond counsel we have examined such documents and matters and conducted such research as we deemed necessary to enable us to express the opinions set forth below. As to questions of fact material to the opinions set forth below, we have relied on statements and certifications of certain elected officials, directors, officers, and employees of the Issuer and the Board and other public officials. We have assumed the authenticity of all documents submitted to us as originals, the legal capacity of natural persons, and the conformity to the originals of all documents submitted to us as copies. We have also relied on the representations and warranties made in such documents by all parties thereto.

Based on the foregoing, and in reliance thereon, and on the basis of our examination of such other matters of fact and questions of law as we have deemed relevant in the circumstances, it is our opinion that:

1. The issuance and sale of the Bonds have been duly authorized by the Issuer pursuant to the Act, the Bond Resolution, and the Series Resolution.

2. The Bonds are valid and binding revenue obligations of the Issuer and are enforceable in accordance with their terms and entitled to the benefit and security of the Bond Resolution.

3. Under existing laws, regulations and judicial decisions and as of the date hereof, interest on the Bonds is excluded from gross income for federal income tax purposes.

4. The Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth and all of its political subdivisions and taxing authorities.

For the purpose of rendering our opinion in Paragraph 3 above, we have assumed compliance by the Issuer with the requirements of the Internal Revenue Code that must be met subsequent to the issuance of the Bonds in order that the interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted in the Bond Resolution to comply with such requirements.

Our opinion on the enforceability of the Bonds is subject to the qualification that such enforceability may be limited by bankruptcy, reorganization, moratorium, insolvency, or other laws relating to or affecting the enforcement of creditors' rights and by the exercise of judicial discretion in accordance with equitable principles.

We call your attention to the fact that the Bonds are a revenue obligation of the Issuer, payable solely from the security described in the Bond Resolution. The Bonds do not pledge the general credit or taxing power of the Board, the Commonwealth, or any political subdivision or taxing authority of the Commonwealth or the general credit of the Issuer. The Issuer has no taxing power.

We express no opinion on the laws of any jurisdiction other than the Commonwealth and the United States of America. Our opinion relates solely to the questions set out herein and does not consider other questions of law which may be presented by the facts outlined above. We do not express an opinion on the investment quality of the Bonds.

Very truly yours,

WYATT, TARRANT & COMBS, LLP

APPENDIX G
BOOK ENTRY SYSTEM

BOOK ENTRY SYSTEM

THE INFORMATION PROVIDED BELOW IN THIS APPENDIX G HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE BOARD OR THE CORPORATION AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of Bonds and will be deposited with DTC.

2. 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. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 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, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, 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, and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. 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 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.

5. 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security 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 Bond Registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue 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.

7. Neither DTC nor Cede & Co. (nor such 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 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).

8. Redemption proceeds, distributions, and dividend 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 Issuer or Agent, 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 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 (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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.

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

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Neither the Issuer nor the Bond Registrar shall have any responsibility or obligation to participants or to any beneficial owner with respect to (i) the accuracy of any records maintained by DTC or any participant; (ii) the payment by DTC or any participant of any amount with respect to the principal of or interest or compound accreted value on the Bonds; (iii) the delivery or timeliness of delivery by any participant or any notice to any beneficial owner which is required or permitted under the terms of the resolution or ordinance to be given to Bondholders; or (iv) any consent given or action taken by DTC or Cede & Co., as bondholder.