PRELIMINARY OFFICIAL STATEMENT

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

DATED MAY 15, 2024

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

RATING
Moody's: " "

In the opinion of Bond Counsel, under existing law (i) interest on the Bonds will be excludable from gross income of the holders thereof for purposes of federal taxation and (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. All subject to the qualifications described herein under the heading "Tax Exemption." The Bonds and interest thereon are exempt from income taxation and ad valorem taxation by the Commonwealth of Kentucky and political subdivisions thereof (see "Tax Exemption" herein)

$425,000
WAYNE COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2024

Dated with Delivery: June 13, 2024 **Due: as shown below**

Interest on the Bonds is payable each June 1 and December 1, beginning December 1, 2024. The Bonds will mature as to principal on June 1, 2025, and thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of $1,000 and integral multiples thereof.

Maturing 1-Jun	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Jun	Amount*	Interest Rate	Reoffering Yield	CUSIP
2025	$15,000	%	%		2035	$21,000	%	%	
2026	$15,000	%	%		2036	$22,000	%	%	
2027	$15,000	%	%		2037	$23,000	%	%	
2028	$16,000	%	%		2038	$24,000	%	%	
2029	$16,000	%	%		2039	$25,000	%	%	
2030	$17,000	%	%		2040	$26,000	%	%	
2031	$18,000	%	%		2041	$27,000	%	%	
2032	$19,000	%	%		2042	$28,000	%	%	
2033	$19,000	%	%		2043	$29,000	%	%	
2034	$20,000	%	%		2044	$30,000	%	%	

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

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

The Bonds constitute a limited indebtedness of the Wayne County School District Finance Corporation and are payable from and secured by a pledge of the gross income and revenues derived by leasing the Project (as hereinafter defined) on an annual renewable basis to the Wayne County Board of Education.

The Wayne County (Kentucky) School District Finance Corporation will until May 23, 2024, at 11:00 A.M., E.D.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed $45,000.**

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

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

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

RSA advisors

WAYNE COUNTY
BOARD OF EDUCATION

Larry Muse, Chairperson
Melissa Upchurch, Member
Joe Hancock, Member
Jarrod Criswell, Member
Benton Sloan, Member

Don Neal, Superintendent/Secretary

WAYNE COUNTY (KENTUCKY) SCHOOL DISTRICT
FINANCE CORPORATION

Larry Muse, President
Melissa Upchurch, Member
Joe Hancock, Member
Jarrod Criswell, Member
Benton Sloan, Member

Don Neal, Secretary
Stefanie Neal, Treasurer

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

Franklin Bank & Trust Company
Bowling Green, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

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OFFICIAL STATEMENT
Relating to the Issuance of

$425,000*

WAYNE COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2024

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Wayne County School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2024 (the "Bonds").

The Bonds are being issued to finance the roof replacement at Bell Elementary School (the "Project").

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds will be secured by a lien and a pledge of the rental income derived by the Corporation from leasing the school building Projects (as hereinafter defined) to the Wayne County Board of Education (the "Board") on a year to year basis (see "Security" herein).

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

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

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Lease Agreement, dated June 13, 2024, may be obtained at the office of Steptoe & Johnson PLLC, Bond Counsel, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

THE CORPORATION

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

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

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $32,114 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2024; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period through June 1, 2044, but such execution does not obligate the Commission to do so.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2026. Inter alia, the Budget provides $116,928,400 in FY 23024-25 and $126,269,500 in FY 2025-2026 to pay debt service on existing and future bond issues. There are $75,900,000 of the Commission's previous Offers of Assistance made during the last biennium. It authorizes $85,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

The 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020,2022, and 2024 Regular Sessions of the Kentucky General Assembly appropriated funds to be used for new debt service of participating school districts. The appropriations for each biennium are shown in the following table:

Biennium	Appropriation
2000-02	8,100,000
2002-04	9,500,000
2004-06	14,000,000
2006-08	9,000,000
2008-10	10,968,000
2010-12	12,656,200
2012-14	8,469,200
2014-16	8,764,000
2016-18	23,019,400
2018-20	7,608,000
2020-22	2,946,900
2022-24	5,305,300
2024-26	22,280,000
Total	$142,617,000

In addition to the appropriations for new financings as shown, appropriations subsequent to that for 2000 included additional funds to continue to meet the annual debt requirements for all bond issues involving Commission participation issued in prior years.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2026

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

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

The General Assembly adopted a budget for the biennial period ending June 30, 2026 which was approved and signed recently by the Governor. Such budget becomes effective July 1, 2024.

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

OUTSTANDING BONDS

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

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
*2006B	$365,000	$50,000	$53,219	$311,781	4.125%	2026
2007	$2,740,000	$205,000	$1,850,063	$889,937	4.000%	2027
2011	$2,377,000	$1,091,000	$0	$2,377,000	3.125% - 3.500%	2031
2012-REF	$6,830,000	$1,075,000	$1,525,911	$5,304,089	2.000%	2025
2015-REF	$2,980,000	$800,000	$1,454,190	$1,525,810	2.400% - 2.500%	2026
2015	$3,210,000	$1,890,000	$1,199,184	$2,010,816	2.250% - 3.300%	2035
2018	$14,210,000	$13,385,000	$11,916,936	$2,293,064	3.000% - 3.750%	2038
2020	$8,620,000	$7,280,000	$8,620,000	$0	3.000%	2040
2021-REF Taxable	$1,796,000	$1,298,000	$0	$1,796,000	1.000% - 1.450%	2031
TOTALS:	$43,128,000	$27,074,000	$26,619,503	$16,508,497		

**Monticello ISD (Issuer) merged with Wayne CSD July 1, 2013*

AUTHORITY

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

i) the issuance of approximately $425,000 of Bonds subject to a permitted adjustment of $45,000;

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

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

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

THE BONDS

General

The Bonds will be dated June 13, 2024, will bear interest from that date as described herein, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2024, and will mature as to principal on June 1, 2025, and thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully-registered form (both principal and interest). Franklin Bank & Trust Company, Bowling Green, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on June 1 and December 1 of each year, beginning December 1, 2024 (Record Date is 15th day of month preceding interest due date).

Redemption

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

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

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

SECURITY

General

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

The Lease; Pledge of Rental Revenues

The Board has leased the school building Project securing the Bonds for an initial period from June 13, 2024, through June 30, 2024, with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the

Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until June 1, 2044, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

Authorization of General Obligation Bonds

The Kentucky Legislature recently passed and the Governor signed HB 727 which, 90 days after the adjournment of the Legislature, will authorize Kentucky Boards of Education to issue general obligation bonds within certain limitations prescribed by Kentucky law. The Board does not currently have any specific plan to issue general obligation bonds. Issuance by the Board of general obligation debt in the future would not affect either the Board's obligation to make lease payments to the Corporation for payment of debt service on the Bonds or the security for the Bonds.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for annual participation equal to approximately $32,114 from the Commission's appropriation by the Kentucky General Assembly which will be used to meet all of the debt service of the Bonds. The plan for financing the Project will require the Commission to pay 100% of the debt service of the Bonds.

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

STATE INTERCEPT

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

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance the roof replacement at Bell Elementary School (the "Project").

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

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

ADDITIONAL PARITY BONDS

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

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

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

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

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet 0% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	----- School Building Revenue Bonds, Series 2024----- (100% SFCC) Principal Portion	Interest Portion	Total Payment	Total Local Bond Payments
2024	$1,648,103				$1,648,103
2025	$1,651,758	$15,000	$17,226	$32,226	$1,651,758
2026	$1,651,587	$15,000	$17,221	$32,221	$1,651,587
2027	$1,648,911	$15,000	$16,621	$31,621	$1,648,911
2028	$1,652,239	$16,000	$16,021	$32,021	$1,652,239
2029	$1,646,484	$16,000	$15,381	$31,381	$1,646,484
2030	$1,648,814	$17,000	$14,741	$31,741	$1,648,814
2031	$1,654,022	$18,000	$14,061	$32,061	$1,654,022
2032	$1,650,943	$19,000	$13,341	$32,341	$1,650,943
2033	$1,652,923	$19,000	$12,581	$31,581	$1,652,923
2034	$1,652,461	$20,000	$11,821	$31,821	$1,652,461
2035	$1,656,611	$21,000	$11,021	$32,021	$1,656,611
2036	$1,657,599	$22,000	$10,181	$32,181	$1,657,599
2037	$1,657,091	$23,000	$9,246	$32,246	$1,657,091
2038	$1,659,831	$24,000	$8,257	$32,257	$1,659,831
2039	$1,489,775	$25,000	$7,225	$32,225	$1,489,775
2040	$592,250	$26,000	$6,150	$32,150	$592,250
2041		$27,000	$5,019	$32,019	
2042		$28,000	$3,844	$31,844	
2043		$29,000	$2,626	$31,626	
2044		$30,000	$1,350	$31,350	
TOTALS:	$26,871,403	$425,000	$213,926	$638,926	$26,871,403

Notes: Numbers are rounded to the nearest $1.00

ESTIMATED USE OF BOND PROCEEDS

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

Sources:	
Par Amount of Bonds	$425,000.00
Total Sources	$425,000.00
Uses:	
Deposit to Construction Fund	$401,300.00
Underwriter's Discount (2%)	8,500.00
Cost of Issuance	15,200.00
Total Uses	$425,000.00

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	2,369.4	2012-13	2,289.5
2001-02	2,294.2	2013-14	3,013.7
2002-03	2,267.7	2014-15	2,926.6
2003-04	2,323.4	2015-16	2,937.7
2004-05	2,284.0	2016-17	2,891.4
2005-06	2,309.7	2017-18	2,846.7
2006-07	2,298.1	2018-19	2,749.0
2007-08	2,291.1	2019-20	2,733.5
2008-09	2,314.3	2020-21	2,733.5
2009-10	2,269.8	2021-22	2,839.5
2010-11	2,260.7	2022-23	2,839.5
2011-12	2,277.6	2023-24	2,765.0

Source: Kentucky State Department of Education.

STATE SUPPORT

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

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

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

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

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

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	236,940.0	2012-13	228,946.0
2001-02	229,420.0	2013-14	301,368.0
2002-03	226,770.0	2014-15	292,660.0
2003-04	232,340.0	2015-16	293,767.0
2004-05	228,400.0	2016-17	289,140.0
2005-06	230,970.0	2017-18	284,670.0
2006-07	229,810.0	2018-19	274,900.0
2007-08	229,110.0	2019-20	273,350.0
2008-09	231,433.0	2020-21	273,347.5
2009-10	226,980.0	2021-22	283,950.4
2010-11	226,071.0	2022-23	283,950.4
2011-12	227,757.0	2023-24	276,501.5

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

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

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

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

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

LOCAL SUPPORT

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

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

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

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

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

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

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

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

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

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	48.5	476,504,931	2,311,049
2001-02	50	502,663,328	2,513,317
2002-03	49.5	538,453,829	2,665,346
2003-04	49.5	548,804,800	2,716,584
2004-05	48.7	581,147,297	2,830,187
2005-06	48.7	607,216,995	2,957,147
2006-07	48.2	631,622,670	3,044,421
2007-08	48.7	677,544,810	3,299,643
2008-09	50.5	713,543,387	3,603,394
2009-10	50.5	733,663,557	3,705,001
2010-11	47.2	776,963,309	3,667,267
2011-12	47.3	777,276,061	3,676,516
2012-13	47.2	783,610,333	3,698,641
2013-14	51.9	864,450,160	4,486,496
2014-15	55.3	880,334,131	4,868,248
2015-16	56.4	889,376,385	5,016,083
2016-17	55.5	908,986,972	5,044,878
2017-18	54.9	929,330,183	5,102,023
2018-19	60.7	948,943,906	5,760,090
2019-20	59.3	955,869,010	5,668,303
2020-21	59.5	984,085,716	5,855,310
2021-22	59.2	1,006,7330,036	5,959,842
2022-23	60.1	1,074,378,634	6,457,016
2023-24	58.6	1,156,493,347	6,777,051

OVERLAPPING BOND INDEBTEDNESS

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

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Wayne			
General Obligation	2,822,700	1,854,895	967,805
Cable Television Project	2,295,000	1,940,297	354,703
Equipment Revenue	326,710	0	326,710
City of Monticello			
General Obligation	2,295,000	1,953,329	341,671
Utilities Revenue	2,217,000	1,881,000	336,000
Water & Sewer Revenue	2,820,000	683,921	2,136,079
Multiple Purposes Revenue	8,439,000	957,000	7,482,000
Improvement Project Revenue	8,442,000	1,058,500	7,383,500
Special Districts			
Wayne County Extension District	750,000	415,000	335,000
Wayne County Public Properties Corp.555000	6,020,000	4,795,000	1,225,000
Totals:	36,427,410	15,538,942	20,888,468

Source: 2023 Kentucky Local Debt Report.

SEEK ALLOTMENT

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

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	9,668,629	2,311,049	11,979,678
2001-02	9,558,978	2,513,317	12,072,295
2002-03	9,696,760	2,665,346	12,362,106
2003-04	10,154,687	2,716,584	12,871,271
2004-05	9,936,520	2,830,187	12,766,707
2005-06	10,908,688	2,957,147	13,865,835
2006-07	10,923,901	3,044,421	13,968,322
2007-08	11,788,543	3,299,643	15,088,186
2008-09	11,979,422	3,603,394	15,582,816
2009-10	10,349,650	3,705,001	14,054,651
2010-11	10,042,314	3,667,267	13,709,581
2011-12	10,976,842	3,676,516	14,653,358
2012-13	10,973,909	3,698,641	14,672,550
2013-14	15,273,569	4,486,496	19,760,065
2014-15	15,212,568	4,868,248	20,080,816
2015-16	15,640,193	5,016,083	20,656,276
2016-17	15,198,740	5,044,878	20,243,618
2017-18	15,095,688	5,102,023	20,197,711
2018-19	14,810,231	5,760,090	20,570,321
2019-20	14,816,111	5,668,303	20,484,414
2020-21	14,070,650	5,855,310	19,925,960
2021-22	15,267,664	5,959,842	21,227,506
2022-23	16,030,215	6,457,016	22,487,231
2023-24	15,803,626	6,777,051	22,580,677

(1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at $100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.

(2) The Board established a current equivalent tax rate (CETR) of $0.5860 for FY 2023-24. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

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

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

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

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

b) fails to comply with the law.

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE; EXEMPTION

As a result of the principal amount of Bonds being offered not exceeding $1,000,000 Bond Counsel has advised the Corporation and the Board that they are exempt from application of the Rule 15c2-12c2-12(b)(5) of the Securities and Exchange Commission with respect to the Bonds.

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

Financial information regarding the Board may be obtained from Superintendent, Wayne County School District Board of Education, 1025 S. Main Street, Monticello, Kentucky 42633, Telephone 606-348-5083.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows:

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

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

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

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

Original Issue Premium

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

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

Original Issue Discount

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

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

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

ABSENCE OF MATERIAL LITIGATION

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

APPROVAL OF LEGALITY

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

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

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

BOND RATING

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

MUNICIPAL ADVISOR

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

APPROVAL OF OFFICIAL STATEMENT

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

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

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

By /s/ ______________________
President

By /s/ ______________________
Secretary

APPENDIX A

Wayne County School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Demographic and Economic Data

WAYNE COUNTY, KENTUCKY

Wayne County is located in south central Kentucky. The city of Monticello, the county seat, had a 2023 estimated population of 5,792 and is located 105 miles southwest of Lexington, Kentucky; 121 miles northwest of Knoxville, Tennessee; 170 miles southeast of Louisville, Kentucky; 145 miles northeast of Nashville, Tennessee; and 182 miles south of Cincinnati, Ohio.

Wayne County, with a total land area of 459 square miles, covers portions of both the Mississippi Plateaus and the Eastern Kentucky Coal Fields Regions of the state. Lake Cumberland runs along or near the northern boundary of Wayne County and the Tennessee state line forms the southern boundary. Wayne County had a 2023 estimated population of 19,784.

The Economic Framework

In 2023, Wayne County had a labor force of 7,505 people with an unemployment rate of 6.1%. The top 5 jobs by occupation were as follows: office and administrative support - 418 (13.19%); sales - 393 (12.4%); education training/library - 302 (9.53%); production workers - 282 (8.9%); and executive, managers, and administrators - 258 (8.14%).

Transportation

Monticello is served directly by Kentucky Highway 90, a "AAA"-rated trucking highway, and by Kentucky Highway 92, a "AA"-rated trucking highway. In addition, the Cumberland Parkway, a multi-lane toll road, is located twenty-nine miles north of Monticello. Thirteen trucking companies provide interstate and/or intrastate service to Monticello. Norfolk Southern Railroad provides the nearest main line rail service located at Burnside, Kentucky, twenty-one miles northeast. The nearest scheduled commercial airline service is available at Blue Grass Airport, 105 miles northeast of Monticello. The Monticello-Wayne County Airport, a local airport located just north of Monticello, maintains a 4,000-foot paved runway.

Power and Fuel

Electric power is provided to Monticello by the City of Monticello Electric Plant Board, which is supplied by the Tennessee Valley Authority. Wayne County is served by the South Kentucky Rural Electric Cooperative Corporation, which is supplied by East Kentucky Power.

Education

Primary and secondary education is provided by the Wayne County Public School System. Twenty colleges and universities are located within 60 miles of Monticello. Vocational-technical education is provided by the Wayne County Area Technology Center in Monticello; Lake Cumberland ATC in Russell Springs; Pulaski County ATC in Somerset; and Clinton County ATC in Albany. The nearest technical college providing post-secondary education is Somerset Community College in Somerset, KY.

POPULATION

The Wayne County labor market area includes Wayne County and the following additional counties: Clinton, Cumberland, McCreary, Pulaski and Russell. In addition, the labor market area includes Pickett County, Tennessee.

	2019	2020	2021	2022	2023
Wayne County	20,626	20,379	19,299	20,014	19,399
Monticello	6,068	5,991	5,516	5,808	5,670

Source: Kentucky Cabinet for Economic Development

Property Taxes

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

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

Property assessments in Kentucky are at 100% fair cash value. Accounts receivable are taxed at 85% of face value.

EDUCATION

Public Schools

	Wayne County
Total Enrollment (2022-23)	3,033
Pupil-Teacher Ratio (2022-23)	16 - 1

Source: Kentucky Department of Education

Area Colleges and Universities

Location Name	Enrollment	Fall (2022)
Berea College	Berea, Kentucky	1,433
Campbellsville University	Campbellsville, Kentucky	4,666
Centre College	Danville, Kentucky	1,357
Lindsey Wilson College	Columbia, Kentucky	1,753
Union College	Barbourville, Kentucky	789
University of the Cumberlands	Williamsburg, Kentucky	5,174

Source: US News & World Report

Vocational-Technical Training

Kentucky Tech secondary schools (Sec), called area technology centers, are operated by the Cabinet for Workforce Development and the postsecondary schools (P/S), called technical colleges, are governed by the Kentucky Community and Technical College System (KCTCS).

Institution	Location	Enrollment (2022-23)
Barren County ATC	Glasgow, KY	858
Casey County ATC	Liberty, KY	513
Corbin ATC	Corbin, KY	526
Garrard County ATC	Lancaster, KY	375
Green County ATC	Greensburg, KY	337
Knox County ATC	Barbourville, KY	372
Lake Cumberland ATC	Russell Springs, KY	748
Lincoln County ATC	Stanford, KY	309
Marion County ATC	Lebanon, KY	748
Monroe County ATC	Tompkinsville, KY	517
Pulaski ATC	Somerset, KY	296
Rockcastle County ATC	Mount Vernon, KY	402
Wayne County ATC	Monticello, KY	593

Source: Kentucky Department of Education

Customized Training

The Kentucky Tech system, through its training and development coordinators, will provide technical assistance and will identify and develop low-cost customized training programs and services for both established and prospective businesses. Businesses wanting to establish a customized training program should contact a training and development coordinator located at the Hazard Technical College.

Assessment Services

Kentucky Tech Career Connections offers to business, education and government agencies testing packages for evaluating job applicants, selecting employees for promotional consideration and developing training programs within the organization. A Career Connections Assessment Center is located at the Madisonville Technical College.

Adult Education Services

Adult education programs are available to adults who want to develop new academic skills, improve basic skills or earn a high school equivalence diploma. In Monticello, adult education and adult literacy classes are administered through the Kentucky Valley Educational Cooperative.

Bluegrass State Skills Corporation

The Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly of The Commonwealth of Kentucky as an independent, de jure corporation to stimulate economic development through customized business and industry specific skills training programs. The BSSC works with business and industry and Kentucky's educational institutions to establish programs of skills training. The BSSC is attached to the Cabinet for Economic Development for administrative purposes, in recognition of the relationship between economic development and skills training efforts.

The BSSC is comprised of two economic development tools: matching grants and the newly authorized Skills Training Investment Credit Act. The BSSC grant program is available to new, expanding and existing business and Industry. Eligible training activities include pre-employment skills training and assessment; entry level, skills upgrade and occupational upgrade training; train-the-trainer travel; and capacity-building. The Skills Training Investment Credit Act provides credits to existing businesses for skills upgrade training.

MAJOR BUSINESS AND INDUSTRY

Firm	Product	Employees
Monticello		
Monticello Machine Shop Inc.	Machine shop: drilling, boring, cutting, honing, general machining & welding; conveyors, plate & sheet metal fabricating	9
Monticello Tool & Die Inc.	Tool & die; jigs & fixtures	15
Specialty Wood Products Inc.	Rough lumber, crossties, sawing	13
Sunstar Houseboats Inc.	Aluminum houseboats and yachts	18
Trifecta Renovations	Service and delivery of houseboats and energy efficient modular homes	12
W&W Hardwoods Inc.	Interior doors, kitchen cabinet doors and veneer parts of interior doors	114
Wayne Dry Kilns Inc.	Kiln dried & dimension lumber, hardwood veneer slicing, raised hardwood panels	25
Wayne Lumber Co. Inc.	Veneer logs, hardwood lumber (rough sawn and kiln dried), precut pallet lumber	48

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

APPENDIX B

Wayne County School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Audited Financial Statement ending June 30, 2023

WAYNE COUNTY
SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

For the year ended June 30, 2023

Prepared by:

WHITE & ASSOCIATES, PSC
CERTIFIED PUBLIC ACCOUNTANTS
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Richmond, KY 40475
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Wayne County School District
Monticello, Kentucky

And the State Committee for School District Audits

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne County School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Wayne County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne County School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. 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 Wayne County School 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 Wayne County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County School 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 Wayne County School 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, Schedules of the District's Proportionate Share of the Net Pension and OPEB Liability and Schedule of Contributions for CERS and TRS and Medical and Life and Health Insurance Plans comparison information as listed in the table of contents 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 Wayne County School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023, on our consideration of the Wayne County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wayne County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County School District's internal control over financial reporting and compliance.

White & Associates, PSC

Richmond, Kentucky
November 15, 2023

Wayne County Public School District-Monticello, Kentucky
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Wayne County School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

Financial Highlights

- The beginning cash balance for the District was $7,992,073. The year ended with a balance of $8,468,702.
- The General Fund had $31,389,952 in revenue, which primarily consisted of the state program (SEEK), property, utilities and motor vehicle taxes. Excluding interfund transfers and other financing sources, there were $32,864,109 in General Fund expenditures.
- Bonds are issued as the District renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The District's total debt reduction on bonds was $2,054,670 for the current fiscal year. The District's outstanding debt, excluding KISTA, is $27,502,732 at the end of fiscal year 2023.
- Construction continued in fiscal year 2023 on the track and athletic field construction and the renovation of Monticello Elementary.
- Construction continued for the Gymnasium HVAC replacement.
- The district continued to expend ESSER (Elementary and Secondary School Emergency Relief) funds in fiscal year 2023. New building construction and major building renovations were considered.

Overview of Financial Statements

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

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

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

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found in the table of contents of this report.

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

The basic governmental fund financial statements can be found in the table of contents of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the table of contents of this report.

Table 2
Changes in Net Position
(in millions)

	Governmental Activities 2022	Governmental Activities 2023	Business-Type Activities 2022	Business-Type Activities 2023	Total School District 2022	Total School District 2023	Total Percentage Change 2022-2023
Revenues:							
Charges for services	$ 0.52	$ 0.69	$ 0.20	$ 0.24	$ 0.72	$ 0.93	29%
Operating grants and contributions	16.57	20.30	2.70	3.50	19.27	23.80	24%
Capital grants and contributions	3.16	3.38	-	-	3.16	3.38	7%
General revenues	21.49	22.64	(0.08)	(0.11)	21.41	22.53	5%
Total revenue	41.74	47.01	2.82	3.63	44.56	50.64	14%
Expenses:							
Instruction	$ 21.34	$ 23.20	$ -	$ -	$ 21.34	$ 23.20	9%
Student	2.04	2.39	-	-	2.04	2.39	17%
Instructional staff	3.34	4.05	-	-	3.34	4.05	21%
District administration	0.72	0.92	-	-	0.72	0.92	28%
School administration	1.86	2.07	-	-	1.86	2.07	11%
Business	0.48	0.50	-	-	0.48	0.50	4%
Plant operation & maintenance	2.79	3.20	-	-	2.79	3.20	15%
Student transportation	3.11	3.21	-	-	3.11	3.21	3%
Community services operations	0.45	0.52	-	-	0.45	0.52	16%
Food Service Operations	0.15	0.18	2.66	2.94	2.81	3.12	11%
Depreciation/Amortization	1.29	1.32	0.08	0.08	1.37	1.40	2%
Loss on retirement of assets	-	-	0.00	-	-	-	#DIV/0!
Day Care Operations	0.05	0.07	0.13	0.23	0.18	0.30	67%
Interest on long-term debt	1.01	0.95	-	-	1.01	0.95	-6%
Total Expenses	$ 38.63	$ 42.58	$ 2.87	$ 3.25	$ 41.50	$ 45.83	10%
Change in net position	$ 3.11	$ 4.43	$ (0.05)	$ 0.38	$ 3.06	$ 4.81	57%

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $14,274,606 as of June 30, 2023. This reflects an increase of $4,812,814 from 2022.

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

Capital Assets at Year-End
$ (Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
Land	$ 2,048,142	$ 2,048,142	$ -	$ -	$ 2,048,142	$ 2,048,142
Land Improvements	253,614	230,706	-	-	253,614	230,706
Buildings	22,758,823	22,049,238	1,109,004	1,061,954	23,867,827	23,111,192
Technology Equipment	249,977	202,976	-	-	249,977	202,976
Vehicles	1,451,339	1,688,008	-	169,473	1,451,339	1,857,481
General Equipment	173,106	183,418	236,785	281,459	409,891	464,877
Construction in Progress	24,358,916	28,052,234	-	-	24,358,916	28,052,234
Totals	$ 51,293,917	$ 54,454,722	$ 1,345,789	$ 1,512,886	$ 52,639,706	$ 55,967,608

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

Table 4
Outstanding Debt at Year-End

	Government Activities	
	2022	2023
General Obligation Bonds	$ 29,557,402	$ 27,502,732
Finance Purchase Obligations	1,454,514	1,638,371
Total Obligations	$ 31,011,916	$ 29,141,103

Table 1
Net Position
$ (in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2022	2023	2022	2023	2022	2023
Current assets	$ 8.10	$ 8.85	$ 1.50	$ 1.81	$ 9.60	$ 10.66
Non-current assets	51.29	54.45	1.35	1.51	52.64	55.96
Total assets	59.39	63.30	2.85	3.32	62.24	66.62
Deferred outflows	5.34	10.11	0.17	0.32	5.51	10.43
Current liabilities	3.63	4.98	-	-	3.63	4.98
Non-current liabilities	46.66	50.17	0.65	0.88	47.31	51.05
Total liabilities	50.29	55.15	0.65	0.88	50.94	56.03
Deferred inflows	7.16	6.57	0.18	0.18	7.34	6.75
Net position:						
Invested in capital assets, net of debt	20.28	25.31	1.35	1.51	21.63	26.82
Restricted	3.57	3.31	0.88	1.14	4.45	4.45
Unrestricted (deficit)	(16.58)	(16.92)	(0.04)	(0.08)	(16.62)	(17.00)
Total net position	$ 7.27	$ 11.70	$ 2.19	$ 2.57	$ 9.46	$ 14.27

Comments on Budget Comparisons

- The District's total general revenues for the fiscal year ended June 30, 2023 were $31,389,952.
- General Fund budget compared to actual revenue varied slightly from line item to line item with the exception of revenue code 3900 (on-behalf payments made by the state for employee benefits). On-behalf payments are not included in the budget. The actual revenue received was $1,104,281 more than budgeted.
- General Fund budget expenditures to actual varied overall due to recording on-behalf payments.

Budgetary Implications

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2% contingency.

General Fund Revenue/Expenditures

The majority of the total General Fund (Fund 1) revenue was derived from state revenue 76%. Local funding accounted for 14% of the revenue.

The greatest amount of revenue 49% was expended for instruction. Other significant expenditures were student transportation 11%, plant operation and maintenance 12%, instructional staff support which includes school libraries and district-wide instructional staff support 8%, student support services which includes health services, attendance services and guidance counseling 6% and school administrative support 6%.

Special Revenue Fund Revenue/Expenditures
The majority 79% of the Special Revenue's (Fund 2) revenue was derived from federal sources with state revenue making up 21%. The largest expenditure for the fund was for instruction, which was 70% of the fund's total expenditures. Instructional staff support services was 17% of the total expenditures.

District Activity Fund Revenue/Expenditures
The District Activity Fund (Fund 21) allows school activity funds to transfer funds to the district bank account. District activity funds are not subject to the Redbook and may be expended with more flexibility. Funds are assigned project numbers (7XXX) to fulfill reporting requirements.

Special Revenue Activity Fund Revenue/Expenditures
The Special Revenue Activity Fund (Fund 25) is to account for student activity funds that are legally restricted to expenditures for specified purposes imposed by external parties, enabling legislation or board action. Funds are at the school level in individual bank accounts and managed with EPES Software. Student Activity Funds are entered in Munis at year end to meet GASB 84 reporting requirements.

Capital Outlay Fund and Facilities Support Program of Kentucky Revenue/Expenditures
The Capital Outlay Fund's (Fund 310) revenue is received from the state funding program (SEEK). The FSPK Fund (Fund 320) receives revenue from both state funding and local taxes. During this year the majority of these funds were transferred to the debt service fund for paying on bonds sold in previous years for new and renovated facilities. This year the state allowed the district to use a portion of Capital Outlay and FSPK funds for approved operation expenses that would have been funded through General Fund.

Construction Fund Revenue/Expenditures
The Construction Fund (Fund 360) is used for new buildings and renovations. Construction continued in fiscal year 2023 on the track and athletic field construction and the renovation of Monticello Elementary.

Debt Service Fund Revenue/Expenditures
The Debt Service Fund (Fund 400) is used for paying debt service on bonds sold for new and renovated facilities. The fund receives a majority of its revenue from transfers from other funds primarily the Capital Outlay and FSPK Funds.

Food Service Fund Revenue/Expenditures
The School Food Services Fund (Fund 51) is an enterprise fund, which receives revenue from federal, state and local sources. Expenditures for this fund are for food service staff, food, supplies and equipment.

Childcare Tuition Fund Revenue/Expenditures

The Childcare Tuition Fund (Fund 52) is an enterprise fund that receives its revenue from day care fees. The funds expenditures are for day care staff, supplies and equipment.

REVENUE	Fund 1	Fund 2	Fund 310	Fund 320	Fund 360	Fund 400	Fund 51
Local Revenue Sources	$ 5,705,548	$ 8,813	$ -	$ 1,074,378	$ -	$ 2,643	$ 100,180
State Revenue Sources	25,315,890	2,156,954	283,950	1,810,558	-	1,289,260	343,895
Federal Revenue Sources	368,514	8,201,977	-	-	-	-	3,120,188
Other	510,774	-	-	-	-	-	-
Transfers	747,146	27,663	-	-	3,219,956	1,661,054	-
TOTALS	**$ 32,647,872**	**$ 10,395,407**	**$ 283,950**	**$ 2,884,936**	**$ 3,219,956**	**$ 2,952,957**	**$ 3,564,263**
EXPENDITURES	**Fund 1**	**Fund 2**	**Fund 310**	**Fund 320**	**Fund 360**	**Fund 400**	**Fund 51**
Instruction	$ 16,805,557	$ 5,769,974	$ -	$ -	$ -	$ -	$ -
Student Support Services	2,197,106	188,667	-	-	-	-	-
Instructional Staff Support Services	2,605,356	1,442,781	-	-	-	-	-
District Admin Support	920,390	-	-	-	-	-	-
School Admin Support	2,070,832	1,350	-	-	-	-	-
Business Support Services	497,907	-	-	-	-	-	-
Plant Operation & Management	3,669,130	57,390	-	-	-	-	-
Student Transportation	3,613,971	156,328	-	-	-	-	-
Food Service Operations	-	184,148	-	-	-	-	2,935,097
Day Care Operations	-	67,870	-	-	-	-	-
Community Services	112,126	408,368	-	-	-	-	-
Land improvements	-	-	-	-	300,651	-	-
Depreciation	-	-	-	-	-	-	84,313
Building Improvements	-	-	-	-	3,043,842	-	-
Debt Service	371,734	-	-	-	-	2,950,314	-
Other	-	-	-	-	-	-	6,469
Transfers	45,065	2,118,531	417,005	2,967,122	-	-	108,096
TOTALS	**$ 32,909,174**	**$ 10,395,407**	**$ 417,005**	**$ 2,967,122**	**$ 3,344,493**	**$ 2,950,314**	**$ 3,133,975**
Excess / (Deficit)	(261,302)	-	(133,055)	(82,186)	(124,537)	2,643	430,288

Questions regarding this report should be directed to Stefanie Neal, Finance Officer (606) 348-8484 or by mail at 150 Cardinal Way, Monticello, Kentucky 42633.

Wayne County School District
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 6,765,704	$ 1,702,998	$ 8,468,702
Receivables (net)	2,078,563	12,342	2,090,905
Inventories		88,165	88,165
Prepaid expenses	4,674		4,674
Capital assets:			
Land and construction in progress	30,100,376		30,100,376
Other capital assets, net of depreciation	24,354,346	1,512,886	25,867,232
Total capital assets	54,454,722	1,512,886	55,967,608
Total assets	63,303,663	3,316,391	66,620,054
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,940,875	211,393	4,152,268
Deferred outflows related to OPEB CERS	2,040,487	109,454	2,149,941
Deferred outflows related to OPEB TRS	3,885,235		3,885,235
Deferred savings from refunding bonds	244,063		244,063
Total deferred outflows of resources	10,110,660	320,847	10,431,507
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	73,414,323	3,637,238	77,051,561
LIABILITIES			
Accounts payable and accrued expenses	1,362,870	683	1,363,553
Unearned revenue	710,893		710,893
Accrued payroll and related expenses	93,533		93,533
Accrued interest payable	366,169		366,169
Long-term liabilities:			
Due within 1 year:			
Bond obligations	2,130,773		2,130,773
Finance purchase obligations	320,406		320,406
Total due within 1 year	2,451,179	-	2,451,179
Due in more than 1 year:			
Bond obligations	25,371,959		25,371,959
Finance purchase obligations	1,317,965		1,317,965
Sick leave	326,140		326,140
Net pension liability	12,842,386	688,881	13,531,267
Net OPEB liability CERS	3,505,771	188,054	3,693,825
Net OPEB liability TRS	6,798,000		6,798,000
Total due in more than 1 year	50,162,221	876,935	51,039,156
Total liabilities	55,146,865	877,618	56,024,483
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,595,660	85,593	1,681,253
Deferred inflows related to OPEB CERS	1,865,169	100,050	1,965,219
Deferred inflows related to OPEB TRS	3,106,000		3,106,000
Total deferred inflows of resources	6,566,829	185,643	6,752,472
NET POSITION			
Net Investment in capital assets	25,313,619	1,512,886	26,826,505
Restricted for:			
Capital projects	2,849,123		2,849,123
Debt service	7,711		7,711
Student activities	323,296		323,296
District activities	132,873		132,873
Food services		1,141,978	1,141,978
Unrestricted (deficit)	(16,925,993)	(80,887)	(17,006,880)
Total net position	11,700,629	2,573,977	14,274,606
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 73,414,323	$ 3,637,238	$ 77,051,561

See the accompanying notes to the financial statements.

Wayne County School District
Statement of Activities
Year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	$ 23,201,455	$ -	$ 12,142,684	$ -	$ (11,058,771)	$ -	$ (11,058,771)
Support services							
Student	2,385,773	691,207	1,136,986		(557,580)		(557,580)
Instructional staff	4,048,137		1,929,218		(2,118,919)		(2,118,919)
District administration	920,390		438,630		(481,760)		(481,760)
School administration	2,072,182		987,539		(1,084,643)		(1,084,643)
Business	497,907		237,287		(260,620)		(260,620)
Plant operation & maintenance	3,198,860		1,524,479	2,094,508	420,127		420,127
Student transportation	3,214,834		1,532,092		(1,682,742)		(1,682,742)
Food service operation	184,148	45	87,759		(96,344)		(96,344)
Daycare operations	67,870		32,345		(35,525)		(35,525)
Community services operations	520,494		248,052		(272,442)		(272,442)
Interest on long-term debt	954,469			1,289,260	334,791		334,791
Depreciation*	1,323,437				(1,323,437)		(1,323,437)
Total governmental activities	42,589,956	691,252	20,297,070	3,383,768	(18,217,866)		(18,217,866)
Business-type activities:							
Food service operations	2,935,097	93,537	3,464,083			622,523	622,523
Day care operations	232,445	154,971	34,359			(43,115)	(43,115)
Depreciation	84,313					(84,313)	(84,313)
Total business-type activities	3,251,855	248,508	3,498,442	-	-	495,095	495,095
Total primary government	$ 45,841,811	$ 939,760	$ 23,795,512	$ 3,383,768	$ (18,217,866)	495,095	$ (17,722,771)
General revenues:							
Taxes:							
Property taxes					4,272,457		4,272,457
Motor vehicle taxes					875,485		875,485
Unmined minerals					2,616		2,616
Uitility taxes					1,207,938		1,207,938
Franchise					198,366		198,366
Revenue in lieu of taxes					149,940		149,940
State and formula grants					15,746,265		15,746,265
Other local revenue					36,304		36,304
Unrestricted investment earnings					47,373	6,643	54,016
Loss on retirement of capital assets					(1,333)	(6,469)	(7,802)
Transfers					108,096	(108,096)	-
Total general revenues and transfers					22,643,507	(107,922)	22,535,585
Change in net position					4,425,641	387,173	4,812,814
Net position - beginning					7,274,988	2,186,804	9,461,792
Net position - ending					$ 11,700,629	$ 2,573,977	$ 14,274,606

*Unallocated depreciation that excludes depreciation which is included in the direct expenses of various programs, if any.

See the accompanying notes to the financial statements.

Wayne County School District
Balance Sheet
Governmental Funds
June 30, 2023

	Governmental Funds						
	General	Special Revenue	FSPK	Construction	Debt Service	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 2,680,072	$ -	$ 2,666,178	$ 970,730	$ 7,711	$ 441,013	$ 6,765,704
Receivables							
Interfund receivables	922,774						922,774
Taxes	153,215						153,215
Accounts	67,001	31,573				16,469	115,043
Intergovernmental-state		30,059					30,059
Intergovernmental-federal		1,780,246					1,780,246
Prepaid expenditures		4,674					4,674
Total assets	3,823,062	1,846,552	2,666,178	970,730	7,711	457,482	9,771,715
LIABILITIES							
Accounts payable	360,887	212,885		787,785		1,313	1,362,870
Accrued payroll liabilities	93,533						93,533
Interfund payables		922,774					922,774
Unearned revenue		710,893					710,893
Total liabilities	454,420	1,846,552	-	787,785	-	1,313	3,090,070
FUND BALANCE							
Restricted			2,666,178	182,945	7,711		2,856,834
Committed	12,776					456,169	468,945
Assigned	68,289						68,289
Unassigned	3,287,577						3,287,577
Total fund balance	3,368,642	-	2,666,178	182,945	7,711	456,169	6,681,645
TOTAL LIABILITIES AND FUND BALANCE	$ 3,823,062	$ 1,846,552	$ 2,666,178	$ 970,730	$ 7,711	$ 457,482	$ 9,771,715

See the accompanying notes to the financial statements.

Wayne County School District

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2023

Fund balances-total governmental funds	$	6,681,645
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.		54,454,722
Costs associated with bond issues and refundings are expensed in the fund financial statements because they are a use of current financial resources but are capitalized on the statement of net position using the economic resources focus		244,063
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, accrued interest payable, other accounts payable, and net pension obligations) are not due and payble in the current period and, therefore, are not reported in the funds		
Accrued interest payable		(366,169)
Bonds payable		(27,502,732)
Finance purchase obligations		(1,638,371)
Sick leave liability		(326,140)
Net pension liability		(12,842,386)
Net OPEB liability		(10,303,771)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows related to net pensions		3,940,875
Deferred outflows related to OPEB		5,925,722
Deferred inflows related to net pensions		(1,595,660)
Deferred inflows related to OPEB		(4,971,169)
Net position of governmental activities	$	11,700,629

See the accompanying notes to the financial statements.

Wayne County School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2023

	General	Special Revenue	FSPK	Construction	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES							
From local sources							
Taxes							
Property	$ 3,198,079	$ -	$ 1,074,378	$ -	$ -	$ -	$ 4,272,457
Motor vehicle	875,485						875,485
Unmined minerals	2,616						2,616
Franchise	198,366						198,366
Utilities	1,207,938						1,207,938
Revenue in lieu of taxes	149,940						149,940
Earnings on investments	44,723	7			2,643		47,373
Food service		45					45
Student activities		2,858				688,349	691,207
Other local revenue	28,401	5,903				2,000	36,304
Intergovernmental - state	25,315,890	2,156,954	1,810,558		1,289,260	283,950	30,856,612
Intergovernmental - federal	368,514	8,201,977					8,570,491
Total revenues	31,389,952	10,367,744	2,884,936	-	1,291,903	974,299	46,908,834
EXPENDITURES							
Instruction	16,805,557	5,769,974				596,267	23,171,798
Support services							
Student	2,197,106	188,667					2,385,773
Instructional staff	2,605,356	1,442,781					4,048,137
District administration	920,390						920,390
School administration	2,070,832	1,350					2,072,182
Business	497,907						497,907
Plant operation & maintenance	3,669,130	57,390				18,413	3,744,933
Student transportation	3,613,971	156,328					3,770,299
Food service operation		184,148					184,148
Day care operation		67,870					67,870
Community services operations	112,126	408,368					520,494
Land improvements				300,651			300,651
Building improvements				3,043,842			3,043,842
Debt service	371,734				2,950,314		3,322,048
Total expenditures	32,864,109	8,276,876	-	3,344,493	2,950,314	614,680	48,050,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,474,157)	2,090,868	2,884,936	(3,344,493)	(1,658,411)	359,619	(1,141,638)
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	510,774						510,774
Operating transfers in	747,146	27,663		3,219,956	1,661,054	87,533	5,743,352
Operating transfers (out)	(45,065)	(2,118,531)	(2,967,122)			(504,538)	(5,635,256)
Total other financing sources and (uses)	1,212,855	(2,090,868)	(2,967,122)	3,219,956	1,661,054	(417,005)	618,870
NET CHANGE IN FUND BALANCES	(261,302)	-	(82,186)	(124,537)	2,643	(57,386)	(522,768)
FUND BALANCE-BEGINNING	3,629,944	-	2,748,364	307,482	5,068	513,555	7,204,413
FUND BALANCE-ENDING	$ 3,368,642	$ -	$ 2,666,178	$ 182,945	$ 7,711	$ 456,169	$ 6,681,645

See the accompanying notes to the financial statements.

Wayne County School District

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

Year ended June 30, 2023

Net change in fund balances-total governmental funds	$	(522,768)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions less costs of benefits earned net employee contributions		(124,892)
Governmental funds report district OPEB contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as pension expense.		
District OPEB contributions less costs of benefits earned net employee contributions		86,909
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.		3,160,805
The difference in the issue amount of the refunding of bond proceeds and the amount for payment to the escrow account to pay the refunded bonds is amortized over the life of the refunding issue.		(30,993)
The discount/premium on the sale of bonds is reported as an expenditure/revenue by current financial resources but it is deferred and amortized over the life of the bond on the statement of net position.		(26,104)
Bond and finance purchase payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.		1,896,917
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		
Accrued interest payable		16,985
Noncurrent sick leave payable		(31,218)
Change in net position of governmental activities	$	4,425,641

See the accompanying notes to the financial statements.

Wayne County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year ended June 30, 2023

	Budgeted Amounts				Variance with Final Budget
	Original	Final		Actual	Favorable (Unfavorable)
REVENUES					
From local sources					
Taxes					
Property	$ 2,852,500	$ 2,852,500		$ 3,198,079	$ 345,579
Motor vehicle	600,000	600,000		875,485	275,485
Unmined minerals	500	500		2,616	2,116
Franchise tax	170,000	170,000		198,366	28,366
Utilities	970,000	970,000		1,207,938	237,938
Revenue in lieu of taxes	150,000	150,000		149,940	(60)
Earnings on investments	30,000	30,000		44,723	14,723
Other local revenue	14,620	20,478		28,401	7,923
Intergovernmental - state	15,784,113	15,786,265	*	15,809,962	23,697
Intergovernmental - federal	200,000	200,000		368,514	168,514
Total revenues	20,771,733	20,779,743		21,884,024	1,104,281
EXPENDITURES					
Instruction	11,437,387	11,513,956	*	9,889,711	1,624,245
Support services					
Student	1,547,846	1,547,846	*	1,551,353	(3,507)
Instructional staff	1,968,814	2,580,501	*	2,011,142	569,359
District administration	741,444	741,444	*	826,914	(85,470)
School administration	1,489,054	1,489,054	*	1,551,905	(62,851)
Business	305,747	305,747	*	454,958	(149,211)
Plant operation & maintenance	2,837,780	2,916,264	*	3,600,412	(684,148)
Student transportation	2,625,748	2,628,252	*	3,077,614	(449,362)
Community services	29,751	29,751	*	22,438	7,313
Debt service	371,734	371,734		371,734	-
Total expenditures	23,355,305	24,124,549		23,358,181	766,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,583,572)	(3,344,806)		(1,474,157)	1,870,649
OTHER FINANCING SOURCES (USES)					
Capital lease proceeds				510,774	510,774
Operating transfers (out)	(117,774)	(44,565)		747,146	791,711
Operating transfers in	174,057	720,875		(45,065)	(765,940)
Total other financing sources and (uses)	56,283	676,310		1,212,855	536,545
NET CHANGE IN FUND BALANCES	(2,527,289)	(2,668,496)		(261,302)	2,407,194
FUND BALANCE-BEGINNING	3,427,289	3,568,496		3,629,944	61,448
FUND BALANCE-ENDING	$ 900,000	$ 900,000		$ 3,368,642	$ 2,468,642

* The on-behalf payments (please see the accompanying notes to the financial statements) were not budgeted, therefore, to better compare the actual to the budgeted amounts these amounts were deducted from both revenue and expenditures in the amount of $9,505,928.

Wayne County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue Fund
Year ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
From local sources				
Earnings from investments	$ -	$	$ 7	$ 7
Food service		(32)	45	77
Student activities		3,385	2,858	(527)
Other local revenue	3,064	9,339	5,903	(3,436)
Intergovernmental - state	2,308,081	2,276,636	2,156,954	(119,682)
Intergovernmental - federal	4,200,500	4,245,498	8,201,977	3,956,479
Total revenues	6,511,645	6,534,826	10,367,744	3,832,918
EXPENDITURES				
Instruction	4,115,286	4,278,860	5,769,974	(1,491,114)
Support services				
Student	160,787	160,787	188,667	(27,880)
Instructional staff	1,650,670	1,386,295	1,442,781	(56,486)
School administration	1,404	1,458	1,350	108
Plant operations & maintenance	103,270	104,365	57,390	46,975
Student transportation	31,717	95,740	156,328	(60,588)
Food service operation	115,174	23,148	184,148	(161,000)
Day care operation	32,337	108,837	67,870	40,967
Community services operations	401,000	404,161	408,368	(4,207)
Debt service		4,610		4,610
Total expenditures	6,611,645	6,568,261	8,276,876	(1,708,615)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(100,000)	(33,435)	2,090,868	2,124,303
OTHER FINANCING SOURCES (USES)				
Operating transfers in	100,000	27,663	27,663	-
Operating transfers (out)			(2,118,531)	(2,118,531)
Total other financing sources and (uses)	100,000	27,663	(2,090,868)	(2,118,531)
NET CHANGE IN FUND BALANCES	-	(5,772)	-	5,772
FUND BALANCE-BEGINNING	-	-	-	-
FUND BALANCE-ENDING	$ -	$ (5,772)	$ -	$ 5,772

See the accompanying notes to the financial statements.

Wayne County School District
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Funds		
	School Food Services	Other Proprietary Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,701,156	$ 1,842	$ 1,702,998
Inventories	88,165		88,165
Accounts receivable, net		12,342	12,342
Capital assets:			
Other capital assets, net of depreciation	1,512,886		1,512,886
Total assets	3,302,207	14,184	3,316,391
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	184,408	26,985	211,393
Deferred outflows related to OPEB CERS	95,482	13,972	109,454
Total deferred outflows of resources	279,890	40,957	320,847
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,582,097	55,141	3,637,238
LIABILITIES			
Accounts payable and accrued expenses	297	386	683
Net pension liability	600,943	87,938	688,881
Net OPEB liability	164,048	24,006	188,054
Total liabilities	765,288	112,330	877,618
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	74,667	10,926	85,593
Deferred inflows related to OPEB CERS	87,278	12,772	100,050
Total deferred inflows of resources	161,945	23,698	185,643
NET POSITION			
Net Investment in capital assets	1,512,886		1,512,886
Restricted	1,141,978		1,141,978
Unrestricted (Deficit)		(80,887)	(80,887)
Total net position	2,654,864	(80,887)	2,573,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 3,582,097	$ 55,141	$ 3,637,238

See the accompanying notes to the financial statements.

Wayne County School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2023

	Enterprise Funds		
	School Food Services	Other Proprietary Fund	Total
OPERATING REVENUES			
Lunchroom sales	$ 93,537	$ -	$ 93,537
Day care fees		154,971	154,971
Total operating revenues	93,537	154,971	248,508
OPERATING EXPENSES			
Depreciation	84,313		84,313
Day care operations			
Employee services		223,461	223,461
Operational expenses		8,984	8,984
Food service operations			
Employee services	1,423,677		1,423,677
Operational expenses	1,511,420		1,511,420
Total operating expenses	3,019,410	232,445	3,251,855
OPERATING INCOME (LOSS)	(2,925,873)	(77,474)	(3,003,347)
NONOPERATING REVENUES (EXPENSES)			
Federal grants	3,120,188		3,120,188
State grants	343,895	34,359	378,254
Loss on retirement of capital assets	(6,469)		(6,469)
Transfers in (out)	(108,096)		(108,096)
Earnings from investments	6,643		6,643
Total nonoperating revenues (expenses)	3,356,161	34,359	3,390,520
CHANGE IN NET POSITION	430,288	(43,115)	387,173
NET POSITION-BEGINNING	2,224,576	(37,772)	2,186,804
NET POSITION-ENDING	$ 2,654,864	$ (80,887)	$ 2,573,977

See the accompanying notes to the financial statements.

Wayne County School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023

	Enterprise Funds		
	School Food Services	Other Proprietary Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 93,537	$ 154,971	$ 248,508
Payments to suppliers	(1,478,249)	(8,984)	(1,487,233)
Payments to employees	(1,423,677)	(192,943)	(1,616,620)
Net cash provided (used) by operating activities	(2,808,389)	(46,956)	(2,855,345)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(108,096)		(108,096)
Intergovernmental revenue	3,464,083	34,359	3,498,442
Net cash provided (used) by noncapital financing activities	3,355,987	34,359	3,390,346
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Loss on sale of capital assets	(6,469)		(6,469)
Purchase of capital assets	(251,410)	-	(251,410)
Net cash provided (used) by capital financing activities	(257,879)	-	(257,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	6,643	-	6,643
Net cash provided (used) by investing activities	6,643	-	6,643
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	296,362	(12,597)	283,765
CASH AND CASH EQUIVALENTS BALANCE-BEGINNING	1,404,794	14,439	1,419,233
CASH AND CASH EQUIVALENTS BALANCE-ENDING	$ 1,701,156	$ 1,842	$ 1,702,998
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (2,925,873)	$ (77,474)	$ (3,003,347)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	84,313	-	84,313
Changes in assets and liabilities:			
Accounts payable	139	(32)	107
Receivables		(4,979)	(4,979)
Outflow Deferrals	(122,973)	(25,467)	(148,440)
Inflow Deferrals	(4,240)	7,293	3,053
Pension liability	147,172	43,144	190,316
OPEB liability	27,826	10,559	38,385
Inventories	(14,753)		(14,753)
Net cash provided (used) by operating activities	$ (2,808,389)	$ (46,956)	$ (2,855,345)

NONCASH NONCAPITAL FINANCING ACTIVITIES

During the year, the district received $75,182 of food commodities from the U.S. Department of Agriculture.

During the year, the district recognized revenues and expenses for -on-behalf payments relating to fringe benefits in the amount of $326,412 for food service and $34,359 for daycare provided by state government.

See the accompanying notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

Blended Component Unit

Wayne County Board of Education Finance Corporation

The Board authorized establishment of the Wayne County Board of Education Finance Corporation a non-stock, non-profit corporation pursuant to Section 162.385 of the School Bond Act and Chapter 273 and Section 58.180 of the Kentucky Revised Statutes (the "Corporation") to act as an agency of the District for financing the costs of school building facilities. The Board of Directors of the Corporation shall be the same persons who are at any time the members of the Board of Education of the Wayne County Board of Education.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

The District has the following funds:

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

(A) General Fund

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

(B) Special Revenue (Grant) Fund

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

(C) Special Revenue (District Activity) Fund

The Special Revenue (District Activity) Fund accounts for funds collected at individual schools for operation costs of the schools or school district that allows for more flexibility in the expenditures of those funds.

(D) Special Revenue (Student Activity) Fund

Special Revenue (Student Activity) Fund accounts for activities of student groups and other types of activities requiring clearing accounts.

(E) Capital Project Funds

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

SEEK Capital Outlay Fund

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

Building (FSPK) Fund

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

Construction Fund

The Construction Fund accounts for proceeds from sale of bonds and other revenues to be used for authorized construction and/or remodeling. This is a major fund of the District.

(F) Debt Service Fund

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

<u>II. Proprietary Funds (Enterprise Funds)</u>

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

Day Care Fund - The Day Care Fund is used to account for child care revenue.

The District applies all GASB pronouncements to proprietary funds.

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

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis, On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

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

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

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

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

<u>Cash and Cash Equivalents</u>
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
Inventory consists of food purchased by the District and commodities granted by the United States Department of Agriculture (USDA). The commodities are recognized as revenues and expenditures by the Food Service Fund when consumed. Any material commodities on hand at year end are recorded as inventory. All purchased inventory items are valued at the lower of cost or market (first-in, first-out) using the consumption method and commodities assigned values are based on information provided by the USDA.

Prepaid Assets
Payments made that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which services are consumed.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

Land and construction in progress are not depreciated. The other property, plant and equipment of the district are depreciated using the straight-line method over the following estimated useful lives:

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

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

Accumulated Unpaid Sick Leave Benefits

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

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

Fund Balances

Fund balance is divided into five categories as defined by GASB 54 as follows:

Nonspendable:	Permanently nonspendable by decree of the donor, such as an endowment, or funds that are not in a spendable form, such as prepaid expenses or inventory on hand.
Restricted	Legally restricted under legislation, bond authority, or grantor contract.
Committed	Commitments of future funds for specific purposes passed by the Board.
Assigned	Funds that are intended by management to be used for a specific purpose, including encumbrances.
Unassigned	Funds available for any purpose; unassigned amounts are reported only in the General Fund unless a fund has a deficit.

The Board has adopted a GASB 54 spending policy which states that the spending order of funds is to first use restricted, committed, and assigned resources first, then unassigned resources as they are needed.

Net Position

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as Net Position. Net Position is reported in three categories: 1) net investment in capital assets – consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of the assets; 2) restricted net position – resulting from constraints placed on net position by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation adopted by the School District; 3) unrestricted net position – those assets that do not meet the definition of restricted net position or net investment in capital assets. It is the District's policy to first apply restricted net position and then unrestricted net position when an expense is incurred for which both restricted and unrestricted net position are available.

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2023, to finance the General Fund operations were $.485 per $100 valuation of real property, $.489 per $100 valuation for business personal property and $.528 per $100 valuation for motor vehicles.

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

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the school district, those revenues are primarily charges for meals provided by the various schools.

Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the school district those revenues come in the form of grants (federal and state), donated commodities, and earnings from investments.

In-Kind

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal and state administered funding on various grants. The amounts of such services and donated commodities are recorded in the accompanying financial statements at their estimated fair market values.

Contributions of Capital

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

Inter-fund Receivables/Payables

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

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

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows – contributions to the CERS's pension and OPEB plans after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until appropriate period. The District reports two types of deferred inflows related to the net difference projected and actual earnings on pension and OPEB plan investments.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous ("CERS") and Teachers Retirement System of the State of Kentucky ("TRS") and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)
For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS), and the County Retirement System of Kentucky (CERS), and additions to/deductions from TRS's/CERS's fiduciary net position have been determined on the same basis as they are reported by TRS/CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, 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.

Bond and Related Premiums, Discounts, and Issuance Costs
In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Budgetary Process
The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used prepare the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy, only amendments that aggregate greater than $50,000 require Board approval. Such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end in accordance with State law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end. The budget for the Special Revenue Fund consists of the sum of each active grant's budget. Large variances between budgeted and actual activity can occur because grants with little activity during the year will have their entire budget rolled up into the combined budget for all grants. The Kentucky Department of Education does not require the Capital Project Funds and Debt Service Funds to prepare budgets.

The District's Special Revenue Fund exceeded budgeted appropriations by $1,708,615.

New Accounting Pronouncements

GASB Statement No. 96-In May, 2020, the GASB issued Statement No. 96, *Subscription-based information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and users (governments). The Statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 99-In April, 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective on various dates, but no later than reporting periods beginning after June 15, 2023.

GASB Statement No. 94-In March, 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022.

There is no effect on current year financial statements for newly adopted accounting pronouncements.

Effective in Future Years:

The District is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards:

GASB Statement No. 101- In June, 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement is effective for reporting periods beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100- In June, 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

NOTE B – CASH AND CASH EQUIVALENTS

The Kentucky Revised Statutes authorize the District to invest money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security obligations, as permitted by KRS 41.240(4), having a current quoted market value at least equal to uninsured deposits.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

At year end the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC insurance. At year end, the carrying amount of the District's cash and cash equivalents was $8,468,702. The bank balance for the same time was $9,394,626.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK/Building) Fund, special Revenue (Grant Fund), School Construction Fund, School Food Service Fund, and School Activity Fund. The restricted cash for the Debt Service Fund is held with Fiscal Agents.

NOTE C – CAPITAL ASSETS

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

Governmental Activities	July 1, 2022	Additions	Deductions	June 30, 2023
Land	$ 2,048,142	$ -	$ -	$ 2,048,142
Land improvements	1,047,630	-	-	1,047,630
Buildings	40,081,532	161,849	-	40,243,381
Technology equipment	815,931	39,544	8,866	846,609
Vehicles	3,901,880	555,465	121,314	4,336,031
General equipment	348,518	35,400	8,914	375,003
Construction in progress	24,358,916	3,693,318	-	28,052,234
Total at historical cost	$ 72,602,548	$ 4,485,575	$ 139,094	$ 76,949,030
Less: Accumulated depreciation				
Land improvements	$ 794,016	$ 22,908	$ -	$ 816,924
Buildings	17,322,710	871,434	-	18,194,143
Technology equipment	565,954	86,545	8,866	643,633
Vehicles	2,450,541	317,463	119,981	2,648,022
General equipment	175,411	25,088	8,914	191,585
Total accumulated depreciation	$ 21,308,631	$ 1,323,437	$ 137,760	$ 22,494,308
Governmental Activities				
Capital Assets-net	$ 51,293,917	$ 3,162,138	$ 1,333	$ 54,454,722

Business-Type Activities	July 1, 2022	Additions	Deductions	June 30, 2023
Buildings	$ 2,164,517	$ -	$ -	$ 2,164,517
Technology equipment	-	-	-	-
Vehicles	-	172,346	-	172,346
General equipment	692,212	85,533	18,051	759,694
Total at historical cost	$ 2,856,729	$ 257,879	$ 18,051	$ 3,096,557
Less: Accumulated depreciation				
Buildings	$ 1,055,513	$ 47,050	$ -	$ 1,102,563
Technology equipment	-	-	-	-
Vehicles	-	2,872	-	2,872
General equipment	455,427	34,390	11,583	478,235
Total accumulated depreciation	$ 1,510,941	$ 84,313	$ 11,583	$ 1,583,671
Business-Type Activities				
Capital Assets-net	$ 1,345,789	$ 173,566	$ 6,469	$ 1,512,886

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated".

NOTE D – LONG TERM DEBT OBLIGATIONS

Bonds

The amount shown in the accompanying financial statements as bonded debt and lease obligations represent the District's future obligations to make payments relating to the bonds issued by the Wayne County School District Finance Corporation.

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

The bonds payable are collateralized by education facilities constructed by the District with bond proceeds. 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.

The original amount of outstanding issues, the issue dates, interest rates, maturity dates, and outstanding balances, at June 30, 2023, are summarized below:

Bond Issues	Original Amount	Maturity Date	Interest Rates	2022 Outstanding	Additions	Retirements	2023 Outstanding
2006B	365,000	2026	4.125%	$ 95,000	$ -	$ 20,000	$ 75,000
2007	2,740,000	2027	3.9%-4.0%	330,000	-	60,000	270,000
2012-REF	6,830,000	2025	2.000%	2,165,000	-	540,000	1,625,000
2013	445,000	2023	1.0%-2.9%	250,000	-	125,000	125,000
2015-REF	2,980,000	2026	2.0%-2.5%	1,570,000	-	380,000	1,190,000
2015	3,210,000	2035	2.0%-3.3%	2,160,000	-	270,000	1,890,000
2018	14,210,000	2038	3.0%-3.75%	13,730,000	-	170,000	13,560,000
QZAB	195,511	2023	0	35,547	-	17,774	17,773
2020	8,620,000	2040	3.0%	7,960,000	-	335,000	7,625,000
2021R	1,796,000	2031	.20-1.45%	1,624,000	-	163,000	1,461,000
				29,919,547	-	2,080,774	27,838,773
			Discount	(376,401)	-	(26,896)	(349,505)
			Premium	14,256	-	792	13,464
				$ 29,557,402	$ -	$ 2,054,670	$ 27,502,732

The District has entered into "participation agreements" with the Kentucky School Facility Construction Commission. The Kentucky Legislature, for the purpose of assisting local school districts in meeting school construction needs, created the Commission. The table following sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2023, for debt service, (principal and interest) are as follows:

Year Ended June 30th	Principal Local	Principal KSFCC	Interest Local	Interest KSFCC	Principal Total	Interest Total
2024	$ 1,011,221	$ 1,119,552	$ 654,655	$ 167,648	$ 2,130,773	$ 822,303
2025	1,025,258	1,142,742	626,300	143,579	2,168,000	769,879
2026	1,053,743	1,135,257	597,844	118,988	2,189,000	716,832
2027	1,086,205	436,795	562,706	98,910	1,523,000	661,616
2028	1,122,674	377,326	529,565	88,511	1,500,000	618,076
2029-2033	6,153,263	1,804,737	2,099,923	310,564	7,958,000	2,410,487
2034-2038	7,274,662	960,338	1,008,931	100,650	8,235,000	1,109,581
2039-2040	2,014,405	120,595	67,620	2,261	2,135,000	69,881
	$ 20,741,431	$ 7,097,342	$ 6,147,545	$ 1,031,111	$ 27,838,773	$ 7,178,656

Finance Purchases

The following is an analysis of the financed property under financed purchases by class:

KISTA Issue	Original Amount	Maturity Date	Interest Rates	2022 Finance Purchases Outstanding	Additions	Retirements	2023 Finance Purchases Outstanding
2014	773,987	3/1/2024	2.0 - 2.625%	$ 137,871	$ -	$ 68,253	$ 69,618
2015	268,833	3/1/2025	2.0- 2.5%	76,862	-	28,049	48,813
2017	345,956	3/1/2027	2.55%	172,115	-	34,950	137,165
2019	454,044	3/1/2029	3.00%	312,923	-	44,723	268,200
2020	353,318	3/1/2030	2.00%	277,114	-	33,857	243,257
2021	537,180	3/1/2031	1.25-1.5%	477,629	-	59,551	418,078
2022	510,774	3/1/2032	3%	-	510,774	57,534	453,240
				$ 1,454,514	$ 510,774	$ 326,917	$ 1,638,371

The following is a schedule by years of the future minimum payments under finance purchases together with the present value of the net minimum payments as of June 30, 2023:

Year Ended June 30,	Principal	Interest	Total
2024	$ 320,406	$ 38,511	$ 358,917
2025	244,626	30,708	275,334
2026	219,293	24,840	244,133
2027	224,368	19,806	244,174
2028	181,983	14,543	196,526
2029-2031	447,695	21,467	469,162
	$ 1,638,371	$ 149,877	$ 1,788,248

Total minimum payments	$	1,788,248
Less: Amount representing interest		(149,877)
Present Value of Net Minimum Payments	$	1,638,371

In order to secure the payment of all of the Board's obligations under a KISTA Lease, the Board grants to KISTA a security interest constituting a first lien on the Equipment and on all additions, attachments, accessories, and substitutions thereto, and on all proceeds therefrom. In the Event of Default, title to the Equipment shall immediately vest in KISTA, and the Board will immediately surrender possession of the Equipment to KISTA or to KISTA's order; by the execution of this Lease the Board agrees upon demand by KISTA or the Second Trustee, and without order of court, to execute a bill of sale or such other instrument as may be required in favor of KISTA or the Second Trustee in order to permit liquidation of the equipment in an Event of Default by the Board.

Accumulated Sick Leave

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. The activity during fiscal year 2023 for accumulated sick leave is as follows:

	2022 Outstanding Balance	Additions	Retirements	2023 Outstanding Balance
Sick Leave	$ 294,922	$ 31,218	$ -	$ 326,140

Net Pension & OPEB Liability

The net pension liability is $12,842,386 for governmental activities and $688,881 for business-type activities for a total of $13,531,267 as of June 30, 2023 (See Note E for additional information). The net OPEB liability is $10,303,771 for governmental activities and $188,054 for business-type activities for a total of $10,491,825 as of June 30, 2023 (See Note F for additional information).

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

Description	2022 Outstanding Balance	Additions	Retirements	2023 Outstanding Balance	Amount Due in One Year
Bonds, Net of Premium and Discount	$ 29,557,402	$ -	$ 2,054,670	$ 27,502,732	$ 2,130,773
Finance Purchases	1,454,514	510,774	326,917	1,638,371	320,406
Sick Leave	294,922	31,218	-	326,140	-
Net Pension Liability	10,720,626	2,810,641	-	13,531,267	-
Net OPEB Liability	7,632,324	2,859,501	-	10,491,825	-
Totals	$ 49,659,788	$ 6,212,134	$ 2,381,587	$ 53,490,335	$ 2,451,179

NOTE E – RETIREMENT PLANS

The District’s employees are provided with two pension plans, based on each position’s college degree requirement. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification.

Teachers Retirement System Kentucky (TRS)

Retirement Annuity Trust

Plan description

Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers' Retirement System of the State of Kentucky—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. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at http://www.trs.ky.gov/financial-reports-information .

Benefits provisions

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

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

Non-university members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than 10 years. New members after July 1, 2002, who retire with 10 or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

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

For Members On or After July 1, 2008: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable of r life, members must either:

1. Attain age 60 and complete 5 years of Kentucky service, or
2. Complete 27 years of Kentucky service, or
3. Attain age 55 and complete 10 years of Kentucky service.

The annual retirement allowance for non-university members is equal to : (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3% of final average salary for years of credited service greater than 30 years.

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

For Members on and after January 1, 2022:

Condition for Retirement: Attainment of age 57 and 10 years of service or attainment of age 65 and 5 years of service.

Amount of Allowance

Foundational Benefit: The annual foundational benefit for members is equal to service Times a multiplier times final average salary.

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

The annual foundational benefit is reduced by 6% per year from The earlier of age 60 on the date the member would have Completed 30 years of service.

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

Disability Retirement Allowance	
Condition for Allowance	Totally and permanently incapable of being employed as a teacher And under age 60 but after completing 5 years of service
Amount of Allowance	The disability allowance is equal to the greater of the service Retirement allowance or 60% of the member's final average Salary. The disability allowance is payable over an entitlement Period equal to 25% of the service credited to the member at the Date of the disability or 5 years, whichever is longer. After the Disability entitlement period has expired and if the member Remains disabled, he will be retired under service retirement. The Service retirement allowance will be computed with service credit Given for the period of disability retirement. The allowance will Not be less than $6,000 per year. The service retirement allowance Will not be reduced for commencement of the allowance before Age 60 or the completion of 27 years of service.
Benefits Payable on Separation From Service	Any member who ceases to be in service is entitled to receive his Contributions with allowable interest. A member who has Completed 5 years of creditable service and leaves his Contributions with the System may be continued in the Membership of the System after separation from Service, and file Application for service retirement after the attainment of Age 60.
Life Insurance	A separate Life Insurance fund has been created as June 30, 2000 To pay benefits on behalf of deceased TRS active and retired Members.
Death Benefits	A surviving spouse of an active member with less than 10 years of Service may elect to receive an annual allowance of $2,880 except That if income from other sources exceeds $6,600 per year the Annual allowance will be $2,160. A surviving spouse of an active member with 10 or more years of Service may elect to receive an allowance which is the actuarial Equivalent of the allowance the deceased member would have Received upon retirement. The allowance will commence on the Date the deceased member would have been eligible for service Retirement and will be payable during the life of the spouse. If the deceased member is survived by unmarried children under Age 18 the following schedule of annual allowances applies:

Number of Children		Annual Allowance
1	$	2,400
2	$	4,080
3	$	4,800
4 or more	$	5,280

	The allowances are payable until a child attains age 18, or age 23 if A full-time student. If the member has no eligible survivor, a refund of his accumulated Contributions is payable to his estate.
Options	In lieu of the regular Option 1, a retirement allowance payable in The form of a life annuity with refundable balance, any member Before retirement may elect to receive a reduced allowance which Is actuarially equivalent to the full allowance, in one of the Following forms: Option 2. A single life annuity payable during the member's Lifetime with payments for 10 years certain. Option 3. At the death of the member his allowance is continued Throughout the life of the beneficiary. Option 3(a). At the death of the beneficiary designated by the Member Under Option 3, the member's benefit will revert to what would Have been paid had he not selected an option. Option 4. At the death of the member one half of his allowance is Continued throughout the life of the beneficiary. Option 4(a). At the death of the beneficiary designated by the Member Under Option 4, the member's benefit will revert to what would Have been paid had he not selected an option.
Post-Retirement Adjustments	The retirement allowance of each retired member and of each Beneficiary shall be increased by 1.5% each July 1.
Member Contributions	
Members before 1/1/2022	9.105% of salary to the Retirement System.
Members on and after 1/1/2022	9% of salary to the Retirement System and an additional 2% of Salary to the supplemental benefit account. Employers also Contributes 2%.

Contributions

Contribution rates are established by Kentucky Revised Statutes (KRS). Employees are required to contribute 12.855%. of their salaries to the system effective July 1, 2015. The state, as a non-employer contributing entity, pays matching contributions in the amount of 13.105% of salaries for local school district employees hired before July 1, 2008 and 14.105% for those who joined thereafter. Contributions for local school district employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

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

At June 30, 2023 the District did not report a liability for the District's proportionate share of the net pension liability, pension expense, and deferred inflows and outflows of resources because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The net pension liability that was associated with the District follows.

TRS		
State's proportionate share of the TRS net pension liability associated with the District	$	64,040,380

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2022, the District's proportion was 0.3780%.

Actuarial Methods and Assumptions

A summary of the actuarial assumptions of the latest actuarial valuation follows.

Valuation Date	June 30, 2021
Prior Measurement Date	June 30, 2021
Measurement Date	June 30, 2022
Reporting Date	June 30, 2023
Actuarial Cost Method	Entry age
Inflation Rate	2.5%
Single Equivalent Interest Rate Prior	7.10%
Single Equivalent Interest Rate at Measurement Date	7.10%
Municipal Bond Index Rate Prior	2.13%
Municipal Bond Index Rate at Measurement Date	3.37%
Projected Salary Increase	3.0-7.5%, including inflation
Long-Term Expected Rate of Return	7.10

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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.

Target Allocations

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.

A summary of the target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, follows.

Asset Class	Target Allocation	Long-Term Expected Rates of Return
Large Cap US Equity	37.4 %	4.2 %
Small Cap Equity	2.6 %	4.7 %
Developed International Equity	16.5 %	5.3 %
Emerging Markets Equity	5.5 %	54.4 %
Fixed Income	15.0 %	-0.1 %
High Yield Bonds	2.0 %	1.7 %
Other Additional Categories	5.0 %	2.2 %
Real Estate	7.0 %	4.0 %
Private Equity	7.0 %	6.9 %
Cash	2.0 %	-0.3 %
Total	100 %	

Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the Actuarially Determined Contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

TRS	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
State's proportionate share of net pension liability	$ 65,950,593	$ 64,040,380	$ 34,541,630

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

County Employees Retirement System

Non-Hazardous

Plan description
Substantially all full-time classified employees of the District participate in the County Employees Retirement System ("CERS"). CERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky General Assembly and overseen by the Kentucky Public Pensions Authority (KPPA). The plan covers substantially all regular full-time members employed in non-hazardous duty positions of the school board. The plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

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

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

Contributions
Funding for CERS:
Tier I plan is provided by members, who contribute 5.00% of their creditable compensation.
Tier II plan members hired after September 1, 2008 contribute 6.00% of their creditable compensation. Further, 1% of these contributions are deposited to an account created for the payment of health insurance benefits.
Tier III plan members, who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. That plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Employee contributions to the plan are the same as the Tier II contributions. Tier III member accounts are also credited with an employer pay credit in the amount of 4% of the member's creditable compensation.

For the year ending June 30, 2023, employers were required to contribute 26.95% of the member's salary, 22.78% pension and 4.17% for insurance. The District contributed $1,463,887 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to CERS
At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 on an actuarial valuation as of that date. The District's proportion of the net pension liability, $13,531,267 based on contributions to CERS during the fiscal year ended June 30, 2022. The District's proportion was 0.18718%.

Deferred Inflows and Outflows of Resources, and Pension Expense included in the Schedule of Pension Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule of Pension Amounts does not include deferred outflow/inflows of resources for changes in the employer's proportionate share of contribution or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2023, is based on the June 30, 2022, actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are amortized over a closed five-year period.

The District recognized pension expense of $155,655 and reported deferred outflows of resources and deferred inflows of resources related to pensions as follows.

CERS		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	14,467	$	120,502
Changes of assumptions		-		-
Net difference between projected and actual earnings on pension plan investments		1,841,200		1,494,308
Changes in proportion and differences between District contributions and proportionate share of contributions		917,327		66,443
District contributions subsequent to the measurement date		1,379,274		-
	$	4,152,268	$	1,681,253

The $1,379,274 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

		Year Ended June 30,
Year 1	$	392,320
Year 2		428,737
Year 3		(113,709)
Year 4		384,393
	$	1,091,741

Actuarial Valuation

KPPA's actuary, Gabriel, Roeder, Smith & Co., completed the actuarial valuation for the calculation of the employer contribution rates for CERS and the Insurance Fund for the period ended June 30, 2022.

Summary of Actuarial Assumptions

The results of the actuarial valuation are based upon the assumptions and funding policies adopted by the Board and statutory funding requirements. Assumptions and funding policies are reviewed against actual plan experience every 5 years. In general, the assumptions and methods, used in the June 30, 2022 valuation are based on the most recent actuarial experience study for the five year period ending June 30, 2018.

1. Actuarial Cost Method-prepared using the entry age normal cost (EANC) method as required by state statute.

2. UAAL Amortization Method-the actuarial liability contribution is calculated by amortizing the unfunded accrued liability as of June 30, 2019 over a closed 30-year amortization.
3. Asset Valuation Method- recognizes a portion of the difference between the market value of assets and he expected market value of assets.
4. Retiree Insurance Funding Policy-calculated by amortizing the unfunded accrued liability as of June 30, 2019, over a closed 20-year amortization bases.
5. Investment Return Assumption-the future investment earnings of plan assets are assumed t accumulate at a rate of 6.25% per annum.
6. Salary Increase Assumptions-member's salaries are assumed to increase, price inflation component is 2.3%, and productivity component is 1%.
7. Health Care Cost Trend Rate-medical premiums are assumed to increase in 2024 at 6.2% for Non-Medicare Plans, and 9% for Medicare Plans.
8. Payroll Growth Assumption-the amortization cost to finance the unfunded actuarial accrued liability, the active member payroll is assumed to increase at a rate of 0%.
9. Retiree Cost of Living Adjustments (COLA)-SB2 only allows the Cost of Living Adjustments to be awarded on a biennial basis.
10. Retirement Rate Assumptions-retirement ages for Males to retire range from 35%, Females 27%, under 45 years of age to 30% for Males age 70, Females 27%.
11. Mortality Assumptions-refer to the tables included in the KPPA's 2022 Annual Report.
12. Withdrawal Rates- the probability, or likelihood, of active member's terminating employment range from 20% with 1 year of service to 1.35% for 25 years of service.
13. Rates of Disablement-disability benefits to active members range from .04% probability near age 20 to 1.02% near age 60.
14. Assumption Changes Since Prior Valuation-in conjunction with the review of the healthcare per capita claims cost, the assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the Medicare Plans was increased during the select period as a result of this review.

Discount rate

A single discount rate of 6.25% was used to measure the total pension liability for the fiscal year ending June 30, 2022. This single discount rate was based on the expected rate of return on pension plan investments.

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

CERS	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	$ 16,912,405	$ 13,531,267	$ 10,734,786

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below for CERS Pension and Insurance Funds:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50 %	4.45 %
Private Equity	10 %	10.15 %
Fixed Income		
Core Fixed Income	10 %	0.28 %
Specialty Credit	10 %	2.28 %
Cash	0 %	-0.91 %
Inflation Protected		
Real Estate	7 %	3.67 %
Real Return	13 %	4.07 %

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

Payables to the pension plan
At June 30, 2023, there are no payables to CERS.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District's employees participate in retirement systems of either TRS or CERS as described earlier. The following describes the other postemployment benefits for both systems.

TRS – General Information about the OPEB Plans

Health Insurance Trust (Medical Insurance Fund)

Plan description
In addition to the retirement annuity plan as described earlier, KRS 161.675 requires TRS to provide postemployment healthcare benefits to eligible members and dependents. The TRS Health Insurance Trust is funded by employer and member contributions. Changes made to the medical plans provided through the trust may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Medical coverage through TRS is funded by a combination of contributions from employees, the state and other employers. Coverage is provided through an account established pursuant to 26 U.S.C. sec.

401(h) and 115 trust fund that went into effect on July 1, 2010. The insurance trust fund includes employer and retired member contributions required under KRS 161.550 and KRS 161.675(4) (b).

Benefits provided

To be eligible for medical benefits, the member must have retired either for service or disability and a required amount of service credit. The TRS medical plan offers members who are not eligible for Medicare and under age 65 coverage through the Kentucky Employees Health Plan (KEHP) administered by the Kentucky Department of Employee Insurance. Once retired members and eligible spouses attain age 65 and are eligible for Medicare, coverage is obtained through the TRS Medicare Eligible Health Plan (MEHP) administered by TRS.

Contributions

Contributions are made on behalf of TRS retired members toward payment of health insurance premiums. The amount of the member's contribution is based on a table approved by the TRS board. Retired members pay premiums in excess of the monthly contribution. The Commonwealth of Kentucky bears risk for excess claims expenses that exceed the premium equivalents charged for the KEHP. The member postemployment medical contribution is 3.75% of salary. The employer postemployment medical contribution is 0.75% of member salaries. Also, employers contribute 3% of members' salaries and the state contributes the net cost of health insurance premiums for new retirees after June 30, 2010, in the non-Medicare eligible group.

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

The District reported a liability of $6,798,000 for its proportionate share of the collective net OPEB liability (NOL). The collective net OPEB liability was valued as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportion was .273844%.

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

MIF		
District's proportionate share of TRS net OPEB liability	$	6,798,000
State's proportionate share of the TRS net OPEB liability associated with the District		2,233,000
	$	9,031,000

The District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following.

MIF	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,858,000
Changes of assumptions	1,381,000	-
Net difference between projected and actual earnings on pension plan investments	361,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,787,000	248,000
District contributions subsequent to the measurement date	356,235	-
	$ 3,885,235	$ 3,106,000

The $356,235 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the collective net OPEB liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

MIF	Year Ended June 30,
Year 1	$ (176,000)
Year 2	(137,000)
Year 3	(84,000)
Year 4	370,000
Year 5	304,000
Thereafter	146,000
	$ 423,000

Actuarial Methods and Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation follows.

Valuation Date	June 30, 2021
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Payroll Growth	2.5% per annum
Salary Increase	2.75 per annum
Discount Rate	7.10%
Health Care Cost Trends	
Medicare Part B	6.97% at June 30, 2022, decreasing to an ultimate rate of 4.55% by June 30, 2034 and beyond.
Under Age 65	7% at June 30, 2020, decreasing to an ultimate rate of 4.5% by June 30, 2034 and beyond.
Age 65 and Older	5.125% at June 30, 2022 with an ultimate rate of 45% by June 30, 2034 and beyond.

Mortality rates were based on the Teachers Mortality Table, and set forward two years for males and multiplied by 102%. Rates for females are set forward 2 years and multiplied by 101%. Disabled male members are set forward 1 year and multiplied by 96%. Rates for female members are set back 2 years and multiplied by 94%.

Target Allocations

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

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

Asset Class	Target Allocation Percentage	30 Year Expected Geometric Real Rate of Return
Global Equity	58.00	5.10
Fixed Income	9.00	(0.10)
Real Estate	6.50	4.00
Private Equity	8.50	6.90
Additional Categories	17.00	2.20
Cash	1.00	(0.30)
Total	100.00	

Discount Rate

The discount rate used to measure the TOL as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement

No. 74. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010, were assumed to be paid by either the state or the retirees themselves.
- As administrative expenses, other than the administrative fee of $8.00 per member per month (PMPM) paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.
- Future contributions to the Health Insurance Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the health trust achieves a sufficient funded status, as determined by TRS's actuary, the following health trust statutory contributions are to be decreased, suspended, or eliminated:
    - Employee Contributions
    - Employer Contributions
    - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

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

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

    - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
    - For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

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

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

MIF		1% Decrease		Current Discount Rate		1% Increase
		6.10%		7.10%		8.10%
District's proportionate share of net OPEB liability	$	8,530,000	$	6,798,000	$	5,365,000

The following presents the District's proportionate share of the collective net OPEB liability, as well as what it 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:

MIF		1% Decrease		Current Trend Rate		1% Increase
District's proportionate share of net OPEB liability	$	5,096,000	$	6,798,000	$	8,915,000

Life Insurance Trust

Plan description and benefits provided

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The benefit is financed by actuarially determined contributions from the 207 participating employers. The benefit is $5,000 for members who are retired for service or disability, and $2,000 for active contribution members.

Note: Members employed on a substitute or part-time basis and working at least 69% of a full contract year in a single fiscal year will be eligible for a life insurance benefit for the balance of the fiscal year or the immediately succeeding fiscal year under certain conditions. For non-vested members employed on a substitute or part-time basis, the life insurance benefit is provided if death occurs as the result of a physical injury on the job. For vested members employed on a substitute or part-time basis, death does not have to be the result of a physical injury on the job for life insurance benefits to be provided.

Contributions

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

Net OPEB Liability

The District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District as follows:

LIF

State's proportionate share of the TRS net OPEB liability associated with the District	$	111,000

Actuarial Assumptions
A summary of the actuarial assumptions as of the latest actuarial valuation is shown below.

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll
Amortization Period	27 years, Closed
Asset Valuation Method	5-year smoothed value
Inflation	3%
Real Wage Growth	0.5%
Wage Inflation	3.5%
Salary Increase	3.5 to 7.20%, including wage inflation
Discount Rate	7.5%

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 is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five year period ending June 30, 2015.

The remaining actuarial assumptions used in the June 30, 2019, valuation of the health trust were based on a review of recent plan experience done concurrently with the June 30, 2019, valuation. The health care cost trend rate assumption was updated for the June 30, 2019, valuation and was shown as an assumption change in the total OPEB liability (TOL) roll forward while the change in initial per capital claims costs were included with experience in the TOL roll forward.

The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20 year Municipal Bond index pushed weekly by the Board of Governors of the Federal Reserve System.

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

Asset Class	Target Allocation Percentage	Expected Geometric Real Rate Percentage of Return
U.S. Equity	40.0	4.40
International Equity	23.0	5.6
Fixed Income	18.0	(.10)
Real Estate	6.0	4.0
Private Equity	5.0	6.9
Other Additional Categories	6.0	2.1
Cash	2.0	(0.3)
	100.0	

As the Life Trust investment policy is to change, the above reflects the pension allocation and returns that achieve the targeted 8.00% long-term rate of return.

Discount Rate

The discount rate used to measure the total OPEB liability (TOL) as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 74. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to actuarial methods and assumptions of the June 30, 2021, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the actuarially determined contribution (ADC) in accordance with the Life Insurance Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.
- As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- Active employees do not explicitly contribute to the plan.
- Cash flows occur mid-year.

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

Revenue or Expenses for TRS OPEB plans

For the year ended June 30, 2023, the District recognized OPEB revenue in the amount of $290,123 for support provided on-behalf of the State.

CERS – General Information about the OPEB Plans

<u>Employees' Health Plan</u>

Plan description

The Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits. CERS Non-hazardous Insurance Plan is a cost-sharing multiple employer defined benefit Other Postemployment Benefits (OPEB) plan. The plan covers all regular full-time members employed in non-hazardous duty positions of the school board. OPEB may be extended to beneficiaries of plan members under certain circumstances.

Benefits provided

The Plan provides hospital and medical insurance for eligible members receiving benefits. The Insurance Fund will pay the cost of insurance premium for participating members prior to July 1, 2003 greater than 4 years of service, 25%, greater than 10 years of service, 50%, greater than 15 years of service, 75%, and greater than 20 years of service, 100%. For participating members after July 1, 2003 the benefit paid by the Insurance Fund is based on years of service the dollar amount per year of service is $13.99 to be applied to the current cost premium.

Contributions

Requirements for medical benefits are a portion of the actuarially determined rates of covered payroll, as disclosed above. Current employees pay 1% toward the insurance fund.

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

The District reported a liability of $3,693,825 for its proportionate share of the collective net OPEB liability which is .187170%.

Deferred Inflows and Outflows of Resources, and OPEB Expense included in the Schedules of OPEB Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedules of OPEB Amounts do not include deferred outflow/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to the measurement date. The total OPEB liability, net OPEB liability (NOL), and sensitivity information are based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles.

For the year ended June 30, 2023, the District recognized OPEB expense of $220,235. The District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 371,814	$ 847,080
Changes of assumptions	584,204	481,381
Net difference between projected and actual earnings on pension plan investments	687,828	537,905
Changes in proportion and differences between District contributions and proportionate share of contributions	288,306	98,853
District contributions subsequent to the measurement date	217,790	-
	$ 2,149,941	$ 1,965,219

The $217,790 (includes $133,177 Implicit Subsidy) reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the collective net OPEB liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows.

	Year Ended June 30,
Year 1	$ 28,803
Year 2	19,668
Year 3	(160,832)
Year 4	79,294
	$ (33,068)

Implicit Employer Subsidy for non-Medicare retirees- The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 74 and 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

Changes of Benefit Terms
None

Actuarial Methods and Assumptions to Determine the Total OPEB Liability and the Net OPEB Liability
For financial reporting, the actuarial valuation as of June 30, 2022, was performed by Gabriel Roeder Smith (GRA). The total OPEB liability, net OPEB liability, and sensitivity information, were based

on an actuarial valuation as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation to the plan's fiscal year ending June 30, 2022, using the generally accepted actuarial principles.

The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2022:

Investment Rate of Return	6.25%
Inflation	2.3%
Payroll Growth Rate	2.0%
Salary Increases	3.3 to 10.3%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.4% at January 1, 2022, and Gradually decreasing to an ultimate trend rate of 4.05% Over period of 14 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 6.3% in 2023 then Gradually decreasing to an ultimate trend rate of 4.05% Over period of 13 years.
Mortality	System-specific mortality table based on mortality Experience from 2013-2018, projected with the ultimate Rates from MP-2014 mortality improvement scale using A base year of 2019.

Senate Bill 209 passed in 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 each 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.

Discount rate

Single discount rates of 5.7% were used to measure the total OPEB liability as of June 30, 2022. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20 Year Municipal GO AA Index" as of June 30, 2022. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position on future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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

The following table presents the Net OPEB Liability calculated using the discount rate of 5.7%, 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 (4.7%) or 1-percentage-point higher (6.7%) than the current rate:

CERS	**1% Decrease**	**Current Discount Rate**	**1% Increase**
	4.7%	5.7%	6.7%
District's proportionate share of net OPEB liability	$ 4,938,055	$ 3,693,825	$ 2,665,262

Health Care Trend Rate Sensitivity

The following presents the health care sensitivity rate of the District's proportionate share of the net pension liability calculated using the discount rate of 5.7%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.7%) or 1-percentage-point higher (6.7%) than the current rate:

CERS	**1% Decrease**	**Current Trend Rate**	**1% Increase**
District's proportionate share of net OPEB liability	$ 2,746,277	$ 3,693,825	$ 4,831,652

OPEB plan fiduciary net position

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

NOTE G– COMMITMENTS

The District has commitments for construction projects of $19,624,539 as of June 30, 2023. The District has committed fund balance for the General Fund for sick leave, $12,776, Student Activity Fund, $323,296, and the District Activity Fund for student activities, $132,873.

NOTE H - CONTINGENCIES

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

NOTE I - LITIGATION

The District is subject to various other legal actions in various stages of litigation and has been turned over to the District's insurance companies. At this time, the attorney does not see an unfavorable outcome for the District.

NOTE J – INSURANCE AND RELATED ACTIVITIES

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

NOTE K – RISK MANAGEMENT

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

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

NOTE L - COBRA

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

NOTE M – TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From	To	Purpose	Amount
Operating	Capital Outlay	General Fund	Operating	$ 417,005
Operating	Building Fund	General Fund	Operating	222,045
Indirect Cost	Food Service	General Fund	Indirect Cost	108,096
Operating	General Fund	Special Revenue	KETS	27,663
Operating	Student Activity	District Activity	Operating	87,533
Construction	General Fund	Construction	Construction	500
Construction	Special Revenue	Construction	Construction	2,118,531
Operating	Building Fund	Construction	Construction	1,100,924
Operating	General Fund	Debt Service	Debt Payments	16,902
Debt Service	Building Fund	Debt Service	Debt Payments	$ 1,644,153

NOTE N – DEFICIT FUND AND OPERATING BALANCES

For fiscal year 2023, the following funds had a deficit change in fund balance/net position and/or deficit fund balance/net position:

Fund		Change in Net Position/ Net Change in Fund Balance		Fund Balance/ Net Position
General Fund	$	(261,302)	$	-
FSPK		(82,186)		-
Construction Fund		(124,537)		-
Other Proprietary Fund		(43,115)		(80,887)
Capital Outlay	$	(133,055)	$	-

NOTE O – ON-BEHALF PAYMENTS

For fiscal year 2023, the Commonwealth of Kentucky contributed estimated payments on behalf of the District as follows:

Plan/Description		Amount
Kentucky Teachers Retirement System (GASB 68 & 75)	$	5,970,957
Health Insurance		4,019,672
Life Insurance		5,804
Administrative Fee		46,843
HRA/Dental/Vision		168,963
Federal Reimbursement		(496,132)
Technology		150,592
SFCC Debt Service Payments		1,289,260
Total	$	11,155,959

These amounts are included in the financial statements as state revenue and an expense allocated to the different functions in the same proportion as full-time employees.

NOTE P – RESTRICTED FUND BALANCES

The following funds had restricted fund balances:

Fund		Restricted Fund Balance/ Net Position	Purpose
Construction Fund	$	182,945	Future Construction
Debt Service		7,711	Debt Service Payments
FSPK		2,666,178	Capital Projects
Food Service	$	1,141,978	Food Service

NOTE Q – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2023, the date the financial statements were available to be issued.

WAYNE COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

CERS and TRS

For the Year Ended June 30, 2023

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):								
Districts' proportion of the net pension liability	0.187180%	0.168146%	0.170984%	0.17489%	0.17824%	0.17699%	0.199558%	0.18945%
District's proportionate share of the net pension liability	$ 13,531,267	$ 10,720,626	$ 13,114,331	$ 12,299,740	$ 10,855,054	$ 10,359,886	$ 9,825,462	$ 8,145,278
State's proportionate share of the net pension liability associated with the District	-	-	-	-	-	-	-	-
Total	$ 13,531,267	$ 10,720,626	$ 13,114,331	$ 12,299,740	$ 10,855,054	$ 10,359,886	$ 9,825,462	$ 8,145,278
District's covered-employee payroll	$ 5,175,255	$ 4,286,035	$ 4,380,122	$ 4,410,535	$ 4,415,919	$ 4,309,421	$ 4,972,101	$ 4,558,039
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.46%	250.13%	299.41%	278.87%	245.82%	240.40%	197.61%	178.70%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.54%	53.54%	53.30%	59.00%	59.97%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):								
Districts' proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	64,040,380	49,802,750	55,838,234	53,860,962	54,079,748	125,049,725	124,049,724	97,719,676
Total	$ 64,040,380	$ 49,802,750	$ 55,838,234	$ 53,860,962	$ 54,079,748	$ 125,049,725	$ 124,049,724	$ 97,719,676
District's covered-employee payroll	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707	$ 13,831,026	$ 13,664,966	$ 13,590,903
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.22%	42.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

WAYNE COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS

CERS and TRS

For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):								
Contractually required contribution	$ 1,379,274	$ 1,314,116	$ 971,615	$ 990,513	$ 902,287	$ 846,915	$ 804,979	$ 765,760
Contributions in relation to the contractually required contributions	1,379,274	1,314,116	971,615	990,513	902,287	846,915	804,979	765,760
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 5,464,313	$ 5,175,255	$ 4,286,035	$ 4,380,122	$ 4,410,535	$ 4,415,919	$ 4,309,421	$ 4,972,101
District's contributions as a percentage of it's covered-employee payrol	25.24%	25.39%	22.67%	22.61%	20.46%	19.18%	18.68%	15.40%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):								
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contributions	-	-	-	-	-		-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 14,570,581	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707	$ 13,831,026	$ 13,664,966
District's contributions as a percentage of it's covered-employee payrol	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

Teachers Retirement System (TRS)

Retirement Annuity Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the 2022 Actuary Report of the TRS.

Changes of assumptions

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

A summary of the actuarial assumptions of the latest actuarial valuation follows.

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry age
Inflation Rate	2.5%
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	2.13%
Projected Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.10%, net of pension plan investment expense, including inflation.

County Employee Retirement System (CERS)

<u>Non-Hazardous</u>

Changes of Benefit Terms

Please refer to P. 181 of KPPA's 2022 Annual Report "Benefit Changes since the Prior Valuation".

Changes of assumptions

None.

Actuarial Methods and Assumptions

Based on the actuarial valuation report, the actuarial methods and assumptions used to calculate the contribution rates are as follows.

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 mortality improvement scale using a base year of 2019
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%

WAYNE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MEDICAL AND LIFE INSURANCE PLANS - TEACHERS' RETIREMENT SYSTEM
Year Ended June 30, 2023

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
MEDICAL INSURANCE PLAN						
District's proportion of the collective net OPEB liability (asset)	0.273844%	0.205723%	0.212906%	0.21237%	0.21537%	0.21977%
District's proportionate share of the collective net OPEB liability (asset)	$ 6,798,000	$ 4,414,000	$ 5,373,000	$ 6,216,000	$ 7,473,000	$ 7,837,000
State's proportionate share of the collective net OPEB liability (asset) associated with the District	2,233,000	3,585,000	4,304,000	5,019,000	6,440,000	6,401,000
Total	$ 9,031,000	$ 7,999,000	$ 9,677,000	$ 11,235,000	$ 13,913,000	$ 14,238,000
District's covered-employee payroll	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707	$ 13,831,026
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	46.69%	31.72%	38.18%	44.43%	52.44%	56.66%
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	39.05%	37.10%	32.60%	25.50%	21.20%
LIFE INSURANCE PLAN						
District's proportion of the collective net OPEB liability (asset)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
District's proportionate share of the collective net OPEB liability (asset)	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the collective net OPEB liability (asset) associated with the District	111,000	48,000	130,000	117,000	110,000	86,000
Total	$ 111,000	$ 48,000	$ 130,000	$ 117,000	$ 110,000	$ 86,000
District's covered-employee payroll	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707	$ 13,831,026
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	71.57%	71.60%	73.40%	75.00%	80.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

WAYNE COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS

MEDICAL AND LIFE INSURANCE PLANS

TEACHERS' RETIREMENT SYSTEM

Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
MEDICAL INSURANCE PLAN						
Contractually required contribution	$ 356,235	$ 360,112	$ 365,794	$ 375,997	$ 370,228	$ 382,920
Contributions in relation to the contractually required contribution	356,235	360,112	365,794	375,997	370,228	382,920
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	$ 14,570,581	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707
District's contributions as a percentage of it's covered-employee payroll	2.44%	2.47%	2.63%	2.67%	2.65%	2.69%
LIFE INSURANCE PLAN						
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	$ 14,570,581	$ 14,559,863	$ 13,914,867	$ 14,073,109	$ 13,988,981	$ 14,249,707
District's proportionate share of the net pension liability as a percentage of it's covered-employee payrol	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

WAYNE COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - HEALTH INSURANCE PLAN

COUNTY EMPLOYEE RETIREMENT SYSTEM

Year Ended June 30, 2023

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
HEALTH INSURANCE PLAN						
District's proportion of the collective net OPEB liability (asset)	0.187170%	0.168107%	0.170935%	0.17484%	0.17823%	0.17699%
District's proportionate share of the collective net OPEB liability (asset)	$ 3,693,825	$ 3,218,324	$ 4,127,560	$ 2,940,730	$ 3,164,420	$ 3,558,145
State's proportionate share of the collective net OPEB liability (asset) associated with the District	-	-	-	-	-	-
Total	$ 3,693,825	$ 3,218,324	$ 4,127,560	$ 2,940,730	$ 3,164,420	$ 3,558,145
District's covered-employee payroll	$ 5,175,255	$ 4,286,035	$ 4,380,122	$ 4,410,535	$ 4,415,919	$ 4,309,421
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	71.37%	75.09%	94.23%	66.68%	71.66%	82.57%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	13.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

WAYNE COUNTY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE PLAN

COUNTY EMPLOYEE RETIREMENT SYSTEM

Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
HEALTH INSURANCE PLAN						
Contractually required contribution	$ 217,790	$ 186,511	$ 160,904	$ 123,906	$ 96,144	$ 83,292
Contributions in relation to the contractually	217,790	186,511	160,904	123,906	96,144	83,292
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	$ 5,464,313	$ 5,175,255	$ 4,286,035	$ 4,380,122	$ 4,410,535	$ 5,832,643
District's contributions as a percentage of it's covered-employee payroll	3.99%	3.60%	3.75%	2.83%	2.18%	1.43%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

Teachers Retirement System (TRS)

Health Insurance Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the 2022 Actuary Report of the TRS.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated as of June 30, 2019. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule.

Actuarial Cost Method	Entry age normal
Amortization Period	Level percentage of payroll
Amortization Method	21 years, closed
Asset Valuation Method	5-year smoothed market value
Inflation	3%
Real Wage Growth	0.5%
Wage Inflation	3.5%
Salary Increase	3.5 to 7.2%, including wage inflation
Discount Rate	8.0%
Health Care Cost Trends	
KEHP Group	7.25% at June 30, 2020, decreasing to an ultimate rate of 5% by June 30, 2029
MEHP Group	5.25% at June 30, 2020, decreasing to an ultimate rate of 5% by June 30, 2022
Medicare Part B Premiums	6.49% at June 30, 2020 with an ultimate rate of 5% by June 30, 2031
KEHP Group Claims	The current KEHP premium is used as the base cost and is projected Forward using only the health care trend assumption (no implicit rate Subsidy is recognized).

Life Insurance Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the 2022 Actuary Report of the TRS.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule.

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll
Amortization Period	27 years, Closed
Asset Valuation Method	5-year smoothed value
Inflation	3%
Real Wage Growth	0.5%
Wage Inflation	3.5%
Salary Increase	3.5 to 7.20%, including wage inflation
Discount Rate	7.5%

County Employee Retirement System (CERS)

Employees' Health Plan

Changes of Benefit Terms

Please refer to P. 181 of KPPA's 2022 Annual Report "Benefit Changes since the Prior Valuation".

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2022:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 mortality improvement scale using a base year of 2019
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.40% at January 1, 2022, and Gradually decreasing to an ultimate trend rate of 4.05 Over period of 14 years. The 2021 premiums were Known at the time of the valuation and were incorporated Into the liability measurement
Healthcare Trend Rates (Post-65)	Initial trend starting at 6.30% at January 1, 2023 then Gradually decreasing to an ultimate trend rate of 4.05% Over period of 13 years. The 2021 premiums were known At the time of the valuation and were incorporated into the Liability measurement. Additionally, Humana provided “Not to Exceed” 2022 Medicare premiums, which were Incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022

Wayne County School District

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023

	Other Governmental Funds			
	Special Revenue Student Activity	**Capital Outlay**	**Special Revenue District Activity**	**Total**
Assets				
Cash and cash equivalents	$ 323,915	$ -	$ 117,098	$ 441,013
Accounts receivable	282		16,187	16,469
Total Assets	324,197	-	133,285	457,482
Liabilities				
Accounts payable	901		412	1,313
Total Liabilities	901		412	1,313
Fund Balance				
Committed	323,296		132,873	456,169
Total Fund Balance	323,296	-	132,873	456,169
Total Liabilities and Fund Balance	$ 324,197	$ -	$ 133,285	$ 457,482

Wayne County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended June 30, 2023

	Other Governmental Funds			
	Special Revenue Student Activity	Capital Outlay	Special Revenue District Activity	Total
Revenues				
From local sources				
Student activities	$ 685,725	$ -	$ 2,624	$ 688,349
Other local revenue			2,000	2,000
Intergovernmental - state		283,950		283,950
Total Revenues	685,725	283,950	4,624	974,299
Expenditures				
Instruction	563,960		32,307	596,267
Plant operations and maintenance			18,413	18,413
Total Expenditures	563,960	-	50,720	614,680
Excess (Deficit) of Revenues Over Expenditures	121,765	283,950	(46,096)	359,619
Other Financing Sources (Uses)				
Transfers in			87,533	87,533
Transfers (out)	(87,533)	(417,005)		(504,538)
Total Other Financing Sources (Uses)	(87,533)	(417,005)	87,533	(417,005)
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	34,232	(133,055)	41,437	(57,386)
Fund Balance Beginning	289,064	133,055	91,436	513,555
Fund Balance Ending	$ 323,296	$ -	$ 132,873	$ 456,169

WAYNE COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET

SCHOOL ACTIVITY FUNDS

June 30, 2023

	WAYNE CO HIGH SCHOOL	WAYNE CO MIDDLE SCHOOL	BELL ELEMENTARY	MONTICELLO ELEMENTARY	WALKER EARLY LEARNING CENTER	SCHOOL ACTIVITY FUND TOTALS
ASSETS						
Cash and cash equivalents	$ 153,056	$ 102,286	$ 37,913	$ 17,337	$ 13,323	$ 323,915
Accounts receivable	131				151	282
Total Assets	153,187	102,286	37,913	17,337	13,474	324,197
LIABILITIES						
Accounts payable	775			125		900
FUND BALANCE						
School activities	152,412	102,286	37,913	17,212	13,474	323,297
Total Liabilities and Fund Balance	$ 153,187	$ 102,286	$ 37,913	$ 17,337	$ 13,474	$ 324,197

WAYNE COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - SCHOOL ACTIVITY FUNDS

Year ended June 30, 2023

	WAYNE CO HIGH SCHOOL	WAYNE CO MIDDLE SCHOOL	BELL ELEMENTARY	MONTICELLO ELEMENTARY	WALKER EARLY LEARNING CENTER	SCHOOL ACTIVITY FUND TOTALS
Revenues						
Student revenues	$ 409,440	$ 100,507	$ 67,682	$ 76,387	$ 31,710	$ 685,726
Expenses						
Student activities	383,775	88,113	76,400	74,619	28,585	651,492
Excess (Deficit) of Revenues Over Expenses	25,665	12,394	(8,718)	1,768	3,125	34,234
Fund Balance-Beginning	126,747	89,892	46,631	15,444	10,349	289,063
Fund Balance-Ending	$ 152,412	$ 102,286	$ 37,913	$ 17,212	$ 13,474	$ 323,297

Statement of Revenues, Expenses and Changes in Fund Balance - Wayne County High School

Year ended June 30, 2023

	FUND BALANCE BEGINNING	REVENUES	EXPENSES	TRANSFERS	FUND BALANCE ENDING
FACULTY COKE FUND	$ 1,403	$ 104	$ 625	$	$ 882
GUIDANCE COUNSELOR	1,613	-	18	(105)	1,490
PICTURE COMMISSION	1,791	12,358	11,223	1,290	4,215
OFFICE	3,978	938	23,404	20,125	1,637
YOUTH SERVICE CENTER	1,074	-	-		1,074
CHROMEBOOKS	112	19,757	19,773		96
CHANGE	-	2,500	2,500		-
COMMUNITY BASED	2,392	-	-		2,392
COKE FUND	2,830	498	-		3,328
DRIVER PERMITS	915	1,562	2,400		77
CLASS 2020	(540)	-	-		(540)
CLASS OF 2021	-	-	-		-
CLASS OF 2023	1,576	-	207		1,370
CLASS OF 2022	169	-	-		169
PROM	-	13,427	9,978		3,449
BETA CLUB	1,595	2,113	1,165		2,544
DECA	6	180	140		46
FCA	2,900	1,040	1,136		2,804
FCCLA	96	2,536	1,631	(598)	404
FCA-ROTC	1,206	4,182	3,559		1,829
FFA	12,916	15,496	24,690	(798)	2,924
GIFTED AND TALENTED	83	80	-		163
RELAY FOR LIFE	1,952	-	-		1,952
TRI-M	-	476	-		476
TSA	350	255	208		397
TEENAGE REPUBLICAN	4,712	500	-		5,212
STUDENT GOVERNMENT	1,824	2,725	1,791		2,758
YOUNG DEMOCRATS	543	-	-		543
TECH DESIGN CLASS	820	4,742	7,157	1,884	289
BOOK CLUB	4	-	-	(4)	-
BUDDIES CLUB	64	-		(64)	-
JAG	1,509	2,471	739	(408)	2,833
COMPUTER REPAIR	28	-	-	(28)	-
FRESHMEN ACADEMY	34	-	-	(34)	-
HOME EC	133	-	50		83
ACADEMIC TEAM	2,172	1,569	575		3,166
ARCHERY	7,477	13,845	11,030		10,293
BAND	49	25,982	25,116		915
BASEBALL	5,540	11,595	6,490	(2,600)	8,045
BOYS BASKETBALL	866	29,112	26,019	(589)	3,370
BOYS GOLF	0	5,731	1,975	80	3,836
BOWLING	718	5,740	6,196		262
BOYS SOCCER	392	7,195	3,997		3,590
CHEERLEADER	-	5,169	4,316	(1,095)	(242)
CROSS COUNTRY	3,236	10,705	11,926	(603)	1,412
DANCE TEAM	5,404	5,297	10,369		332
FISHING TEAM	6,791	1,146	3,889		4,048
FOOTBALL	(5,608)	52,723	47,069	(770)	(724)
GIRLS BASKETBALL	0	16,441	1,383	(6,941)	8,119
JROTC	6,008	11,318	13,819		3,507
GIRLS SOCCER	931	11,832	11,946		817
TENNIS BOYS	678	2,060	1,818		920
TENNIS GIRLS	1,971	5,585	4,993		2,563
TRACK	1,157	1,774	1,992		939
VOLLEYBALL	1,022	13,052	12,796	(1,030)	248
WRESTLING	6,294	17,261	22,160	(690)	705
GIRLS SOFTBALL	2,487	10,014	3,698	(3,180)	5,623
E-SPORTS	35	1,375	1,027		382
TRAP SHOOTING	3,387	1,146	60		4,473
GIRLS GOLF	160	6,265	5,695	(80)	651
ANNUAL	3,990	20,900	23,349	230	1,771
LIBRARY	293	45	10	(9)	319
GREENHOUSE	1,802	-	-		1,802
MAJORIE GOFF SCH	15	-	-	(15)	-
BASKETBALL PROGRAM	2,035	3,900	2,229	(3,656)	50
VIDEO PRODUCTIONS	1,759	-			1,759
MARK HODGES SCH	919	635	500		1,054
JD ROGERS SCHOLARHIP	13,000	20,000	3,000		30,000
V-BALL COACHES ASSOC	1,495	450	440		1,505
ART FUND	274	-	-	(21)	253
STEM CLUB	291	-	-	(291)	-
PLTW	621	135	-		756
AMERICAN WOODMARK	1,000	1,500	1,500		1,000
MATH	-	-	-		-
FB HELMET FUND	-	-	-		-
	$ 126,747	$ 409,440	$ 383,775	$ (0)	$ 152,412

Wayne County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Assisted Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
US Department of Agriculture					
Passed Through State Department of Education					
School Breakfast Program	10.553				
Fiscal Year 22		7760005 22	$ -	$ N/A	$ 256,479
Fiscal Year 23		7760005 23	-	N/A	693,477
National School Lunch Program	10.555				
Fiscal Year 22		7750002 22	-	N/A	547,757
Fiscal Year 23		7750002 23	-	N/A	1,426,996
Fiscal Year 22		9980000 22	-	N/A	77,954
Fiscal Year 23		9980000 23	-	N/A	36,745
Summer Food Service Program For Children	10.559				
Fiscal Year 22		7690024 22	-	N/A	3,906
Fiscal Year 22		7740023 22	-	N/A	37,739
Fruit & Vegetable Program	10.582				
Fiscal Year 22		7720012 22	-	N/A	6,137
Fiscal Year 23		7720012 23	-	N/A	26,660
Child Nutrition Cluster Subtotal					3,113,850
Supper Program	10.558				
Fiscal Year 22		7790021 22	-	N/A	5,952
Fiscal Year 23		7790021 23	-	N/A	47,873
Fiscal Year 22		7800016 22	-	N/A	443
Fiscal Year 23		7800016 23	-	N/A	3,564
					57,832
State Administrative Grant for Nutrition	10.560				
Fiscal Year 22		7700001 22	-	N/A	2,463
Passed Through State Department of Agriculture					
Food Donation-Commodities	10.565				
Fiscal Year 22		510.4950	-	N/A	75,182
Pandemic Electronic Benefit Transfer Administrat	10.649				
Fiscal Year 22		9990000 22	-	N/A	3,135
Total US Department of Agriculture					3,252,462
US Department of Education					
Passed Through State Department of Education					
* **Title I Grants to Local Educational Agencies**	84.010A				
Fiscal Year 21		3100002 20	-	1,512,260	11,993
Fiscal Year 22		3100002 21	-	1,497,316	690,319
Fiscal Year 23		3100002 22	-	1,681,824	862,461
Fiscal Year 22A		3100102-21	-	64,895	42,134
Fiscal Year 23A		3100102-22	-	62,325	22,084
Fiscal Year 22E		3100202-20	-	119,229	2,683
Fiscal Year 23E		3100202-21	-	120,865	53,642
					1,685,316
Special Education Grants to States	84.027A				
Fiscal Year 21		3810002 20	-	774,591	193,710
Fiscal Year 22		3810002 21	-	788353	659,646
COVID-19- ARP Individuals with Disabilities Educ	84.027X				
Fiscal Year 22		4910002-21	-	182,167	39,693
Special Education - Preschool Grants	84.173A				
Fiscal Year 22		3800002 21	-	55,912	1,578
Fiscal Year 23		3800002 22	-	56,880	56,021
COVID-19- ARP Individuals with Disabilities Educ	84.173X				
Fiscal Year 22		4900002-21	-	25,269	1,122
Special Education Cluster Subtotal					951,770
Title I-Neglected & Delinquent	84.013				
Fiscal Year 22		313I	-	32,500	160
Fiscal Year 23		313J	-	37,700	37,196
					37,356
Title III-Limited English Proficiency	84.365				
Fiscal Year 21		3300002 20	-	16,929	7,270
Fiscal Year 22		3300002 21	-	19,004	18,022
Fiscal Year 23		3300002 22	-	20,073	313
					25,605

See the accompanying notes to the schedule of expenditures of federal awards.

Wayne County School District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Assisted Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
Vocation Education - Basic Grants to States	84.048				
Fiscal Year 22 Perkins Carry Forward		3710002 21	-	2,018	2,018
Fiscal Year 23		3710002 22	-	30,976	30,976
					32,994
Rural Education	84.358B				
Fiscal Year 22		3140002 21	-	68,919	24,265
Supporting Effective Education	84.367A				
Fiscal Year 22		3230002-21	-	189,636	95,127
Fiscal Year 23		3230002-22	-	197,207	110,082
					205,209
Striving Readers Comprehensive Literacy Grant	84.371C				
Fiscal Year 22		3220002-19	-	300,000	212,391
Fiscal Year 23		3220002-20	-	323,726	94,244
					306,635
21st Century	84.287				
Fiscal Year 22		3400002-21	-	200,000	169,743
* **COVID-19- CARES Act Educational Stabilization F**	84.425D				
Fiscal Year 21		42000003-21	-	4,903,146	123,494
* **COVID-19- ARP ESSER**	84.425U				
FY21 ARP Emergency Relief Fund		4300002-21	-	3,941,513	3,777,968
FY22 Kentucky Virtual Library		4300003-21	-	3,252	3,252
2022-2024 Digital Learning Coaches		4300005-21	-	3,725	3,725
* **COVID-19- ARP Homeless Children and Youth**	84.425W				
Fiscal Year 22		4980002-21	-	41,879	6,190
Educational Stabilization Fund Subtotal					3,914,629
Title IV Part A	84.424				
Fiscal Year 21		3420002 21	-	110,557	38,109
Fiscal Year 22		3420002 22	-	111,260	76,659
					114,768
Passed Through Eastern Kentucky University					
Migrant	84.011				
Fiscal Year 21		3110002-20	-	119,990	10,370
Fiscal Year 22		3110002-21	-	109,346	62,390
Fiscal Year 23		3110002-22	-	120,701	67,133
					139,893
Passed Through Berea College					
Gaining Early Awareness and Readiness for Und	84.334A				
Fiscal Year 22G		P334A210049	-	161,500	41,968
Fiscal Year 23G		P334A210050	-	161,500	177,531
					219,499
Total US Department of Education					7,827,682
U.S. Department of Defense					
ROTC	12.000				
Fiscal Year 23		Direct	-	N/A	100,683
Total U.S. Department of Defense					100,683
U.S. Department of Health and Human Services					
ARPA Child Care Sustainment	93.575				
Fiscal Year 22		Direct	-	65,718	55,610
Fiscal Year 22		Direct	-	10,000	10,000
					65,610
Passed Through State Department of Education					
Preschool Development Grant School Readiness	93.434				
Fiscal Year 22		644F	-	60,000	135
Total U.S. Department of Health and Human Services					65,745
U.S. Environmental Protection Agency					
Passed through State Department of Education					
KY State Clean Diesel	66.040				
Fiscal Year 20		607JK	-	56,298	56,298
Total U.S. Environmental Protection Agency					56,298
Total Expenditure of Federal Awards					$ 11,302,870

* Major program

See the accompanying notes to the schedule of expenditures of federal awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling $75,182.

NOTE D – INDIRECT COST RATE

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

White & Associates, PSC
Certified Public Accountants & Consultants

1407 Lexington Road
Richmond, KY 40475
(859) 624-3926

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

To the Board of Education of the Wayne County School District
Monticello, Kentucky

And the State Committee for School District Audits

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit /Contract and requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise The Wayne County School District's basic financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Wayne County School District in a separate letter dated November 15, 2023.

Purpose of This Report

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

White & Associates, PSC

Richmond, Kentucky

November 15, 2023

White & Associates, PSC
Certified Public Accountants & Consultants

1407 Lexington Road
Richmond, KY 40475
(859) 624-3926

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

To the Board of Education of the Wayne County School District
Monticello, Kentucky

And the State Committee for School District Audits

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wayne County School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Wayne County School District's major federal programs for the year ended June 30, 2023. Wayne County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wayne County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wayne County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Wayne County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Wayne County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

White & Associates, PSC

Richmond, Kentucky

November 15, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed?	None reported
If so, was any significant deficiencies material (GAGAS)?	N/A
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficiencies in internal control disclosed that were not considered to be material weaknesses?	None reported
What type of report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that Is required to be reported as described in the Uniform Guidance?	No
Major Programs	Title I [ALN 84.010A] Educational Stabilization Fund [ALN 84.425D, 84.425U, 84.425W]
Dollar threshold of Type A and B programs	$750,000
Low risk auditee?	Yes

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings at the financial statement level.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings at the major federal award programs level.

WAYNE COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2023

There were no prior year findings.

MANAGEMENT LETTER POINTS

Wayne County School District
Monticello, Kentucky

In planning and performing our audit of the financial statements of the Wayne County School District for the year ended June 30, 2023, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated November 15, 2023. This letter does not affect our report dated November 15, 2023, on the financial statements of the Wayne County School District. The conditions observed are as follows:

<u>WALKER EARLY LEARNING CENTER</u>
<u>1-23</u>
Statement of Condition: Instances of missing support for check 2656, 2657, 2659.

Recommendation for Correction: The school treasurer should keep purchase order, shipping documents (if applicable), vendor or standard invoice, and check stub together for each expenditure and shall then file all documents by month.

Management Response to the Recommendation: Management will ensure the school treasurer will collect and keep all documents together with the check stub relating to each check written for all expenditures. Management will also ensure the documents are filed by month.

<u>2-23</u>
Statement of Condition: The deposit slips do not indicate that a second person is verifying the deposit.

Recommendation for Correction: An employee, or someone other than the person that prepares the deposit slip needs to initial the deposit slip verifying that the amount of the deposit equals the total amount of receipts recorded in the ledger sheets and that the bank validation stamp matches the amount of the deposit slip.

Management Response to the Recommendation: Management will insure another office employee will initial deposit slips to verify the amount of the deposit equals the total amount of receipts recorded in the ledger sheets and the bank validation stamp amount.

<u>MONTICELLO ELEMENTARY</u>
Nothing of concern

BELL ELEMENTARY

3-23

Statement of Condition: The Multiple Receipt Form (F-SA-6) is not consistently being signed and dated by the person remitting the money.

Recommendation for Correction: Each day that money is collected from students, the teacher/sponsor will ensure that the Multiple Receipt Form (F-SA-6) is properly filled out and signed by the student when the transfer of cash occurs from the student to the teacher/sponsor. This document along with the money is to be turned in to the School treasurer daily.

Management Response to the Recommendation: Management will insure a Multiple Receipt Form (F-SA-6) is properly filled out and signed by students every time money is exchanged between a student and teacher/sponsor. Multiple Receipt Forms (F-SA-6) and money will be turned in to the school treasurer daily.

WAYNE COUNTY MIDDLE SCHOOL

4-23

Statement of Condition: The Principal is not initialing and dating the bank statement after review.

Recommendation for Correction: The Principal should initial and date the front page of the bank statement after a complete review.

Management Response to the Recommendation: Management will insure the Principal will initial and date the front page of the bank statement after a complete review.

WAYNE COUNTY HIGH SCHOOL

5-23

Statement of Condition: The Multiple Receipt Form (F-SA-6) is not consistently being signed and dated by the person remitting the money.

Recommendation for Correction: Each day that money is collected from students, the teacher/sponsor will ensure that the Multiple Receipt Form (F-SA-6) is properly filled out and signed by the student when the transfer of cash occurs from the student to the teacher/sponsor. This document along with the money is to be turned in to the School treasurer daily.

Management Response to the Recommendation: Management will insure a Multiple Receipt Form (F-SA-6) is properly filled out and signed by students every time money is exchanged between a student and teacher/sponsor. Multiple Receipt Forms (F-SA-6) and money will be turned in to the school treasurer daily.

6-23

Statement of Condition: Teachers/sponsors not turning in money collected from students or other sources timely.

Recommendation for Correction: All money collected by a teacher/sponsor shall be turned in to the school treasurer the day the money is collected along with the appropriate supporting documentation.

Management Response to the Recommendation: Management will insure all money collected by a teacher/sponsor will be turned in daily to the school treasurer with supporting documentation.

7-23

Statement of Condition: Purchase Orders are being utilized; however there were several instances of the Purchase Orders being approved after the obligation of funds or purchase being made

Recommendation for Correction: The person requesting to make a purchase or expend activity funds will prepare a Purchase Request/Order (F-SA-7) and have it approved by the sponsor and principal. After proper approval, a Purchase Order number shall be issued or an (EPES) Purchase Order generated so the expenditure can be purchased or ordered.

Management Response to the Recommendation: Management will insure no expenditure will be purchased or ordered before an approved purchase order has been acquired. Every purchase order must be approved by the sponsor and principal.

3-23 and 5-23 are repeated conditions from the prior year all other prior year conditions have been implemented and corrected. Mr. Wayne Roberts, Superintendent, is the person responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately. The corrective action plan is the management response for each condition.

We would like to thank the Finance Officer, Lisa Pyles and her department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
November 15, 2023

APPENDIX C

Wayne County School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Official Terms and Conditions of Bond Sale

OFFICIAL
TERMS AND CONDITIONS OF BOND SALE

$425,000*
Wayne County School District Finance Corporation
School Building Revenue Bonds, Series of 2024
Dated June 13, 2024

SALE: May 23, 2024 AT 11:00 A.M., E.D.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Wayne County School District Finance Corporation ("Corporation") will until May 23, 2024, at the hour of 11:00 A.M., E.S.T., in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, receive competitive bids for the revenue bonds herein described. To be considered, bids must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated. Bids may be submitted manually or by facsimile or electronically via PARITY. Bids will be considered by the Corporation and may be accepted without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by up to $42,000.

WAYNE COUNTY SCHOOL DISTRICT FINANCE CORPORATION

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

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance roof replacement at Bell Elementary School (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school building Project property to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2024; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance the school building(s) which constitute the school building Project (the "Parity Bonds").

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

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

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

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately $32,114 toward the annual debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

Pursuant to a Merger Agreement by and between the Wayne County Board of Education and the Monticello Independent Board of Education, the two school districts merged and the Wayne County Board of Education assumed all outstanding debt obligations of Monticello Independent Board of Education, effective as of July 1, 2013.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $32,114 toward the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2024; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

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

ADDITIONAL PARITY BONDS

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

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of $1,000 within the same maturity, bear interest from June 13, 2024, payable on December 1, 2024, and semi annually thereafter and shall mature as to principal on June 1 in each of the years as follows:

Year	Amount*	Year	Amount*
2025	$15,000	2035	$21,000
2026	15,000	2036	22,000
2027	15,000	2037	23,000
2028	16,000	2038	24,000
2029	16,000	2039	25,000
2030	17,000	2040	26,000
2031	18,000	2041	27,000
2032	19,000	2042	28,000
2033	19,000	2043	29,000
2034	20,000	2044	30,000

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $42,000 which may be applied in any or all maturities.

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

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

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

BIDDING CONDITIONS AND RESTRICTIONS

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

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

(C) The minimum bid shall be not less than $416,500 (98% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(E) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for exactly $425,000 principal amount of Bonds offered for sale under the terms and conditions herein specified, but the Corporation may adjust the principal amount of Bonds upward or downward by $42,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $383,000 or a maximum of $467,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $1,000 of Bonds as the price per $1,000 for the $425,000 of Bonds bid.

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 23, 2024.

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

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

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

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

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

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

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

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

STATE SUPPORT OF EDUCATION

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

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

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

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

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

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

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

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

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2026

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

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

The General Assembly recently adopted a budget for the biennial period ending June 30, 2026 which was approved and signed by the Governor. Such budget becomes effective beginning July 1, 2024. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE; EXEMPTION

As a result of the principal amount of Bonds being offered not exceeding $1,000,000 Bond Counsel has advised the Corporation and the Board that they are exempt from application of the Rule 15c2-12c2-12(b)(5) of the Securities and Exchange Commission with respect to the Bonds.

Financial information regarding the Board may be obtained from Superintendent, Wayne County Board of Education, 1025 South Main Street, Monticello, Kentucky 42633 (606.348.8484).

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

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

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

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

WAYNE COUNTY SCHOOL
DISTRICT FINANCE CORPORATION

By /s/ Don Neal
Secretary

APPENDIX D

Wayne County School District Finance Corporation
School Building Revenue Bonds
Series of 2024

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Wayne County School District Finance Corporation ("Corporation" or "Issuer"), will until 11:00 A.M., E.D.S.T., on May 23, 2024, receive in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, (telephone 502-564-5582; fax 888-979-6152) competitive bids for its $425,000 School Building Revenue Bonds, Series of 2024, dated June 13, 2024; maturing June 1, 2025 through 2044 ("Bonds").

We hereby bid for said $425,000* principal amount of Bonds, the total sum of $_______________ (not less than $416,500) plus accrued interest from June 13, 2024 payable December 1, 2024 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on June 1 in the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2025	$15,000	_________%	2035	$21,000	_________%
2026	15,000	_________%	2036	22,000	_________%
2027	15,000	_________%	2037	23,000	_________%
2028	16,000	_________%	2038	24,000	_________%
2029	16,000	_________%	2039	25,000	_________%
2030	17,000	_________%	2040	26,000	_________%
2031	18,000	_________%	2041	27,000	_________%
2032	19,000	_________%	2042	28,000	_________%
2033	19,000	_________%	2043	29,000	_________%
2034	20,000	_________%	2044	30,000	_________%

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $467,000 of Bonds or as little as $383,000 of Bonds, at the same price per $1,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 23, 2024.

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

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

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

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

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

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through Franklin Bank & Trust Company, Bowling Green, Kentucky, Attn: Ms. Lori Croslin, (270.901.4460).

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

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about June 13, 2024 and upon acceptance by the Issuer's Municipal Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

____
Bidder

By ______________________________
Authorized Officer

____
Address

Total interest cost from June 13, 2024 to final maturity	$____________
Plus discount or less any premium	$____________
Net interest cost (Total interest cost plus discount)	$____________
Average interest rate or cost	____________%

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

Accepted by RSA Advisors, LLC, as Municipal Advisor and Agent for the Wayne County School District Finance Corporation for $____________ amount of Bonds at a price of $____________ as follows:

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

Dated: May 23, 2024

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RSA Advisors, LLC,
As Agent for the Wayne County
School District Finance Corporation