PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 15, 2024

Book-Entry Only
New Issue – Not Bank Qualified

Rating: "Aa3" Moody's (Underlying)
"A1" (Enhanced)
See "RATING" herein

In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings, and court decisions, and assuming continuing compliance with certain covenants made by the District, and subject to the conditions and limitations set forth herein under the caption "LEGAL MATTERS – Tax Treatment," interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is exempt from Kentucky income tax, and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

$25,685,000*
KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2024A

Dated: Date of Issuance **Due: September 1, as shown below**

Interest on the above-captioned Bonds (the "Bonds") will be payable from their dated date, on each March 1 and September 1, commencing March 1, 2025, and the Bonds mature on each September 1, as shown below:

Year	Amount*	Interest Rate	Yield	Price	CUSIP [____]	Year	Amount*	Interest Rate	Yield	Price	CUSIP [____]
2025	$ 100,000	%	%	%		2033	$2,030,000	%	%	%	
2026	100,000					2034	2,110,000				
2027	570,000					2035	2,375,000				
2028	595,000					2036	2,565,000				
2029	1,295,000					2037	2,670,000				
2030	1,530,000					2038	3,010,000				
2031	1,765,000					2039	3,135,000				
2032	1,835,000										

The Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Bonds will be issued under a book-entry system and registered in the name of The Depository Trust Company or its nominee. There will be no distribution of the Bonds to the ultimate purchasers. See "THE BONDS – Book-Entry Only System" herein. The principal of the Bonds will be payable when due at the designated corporate trust office of U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Registrar. Interest payments will be mailed by the Paying Agent and Registrar to each holder of record as of the fifteenth day of the month preceding the date for such interest payment. The principal of and interest on the Bonds may also be paid by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owner of the Bonds. See "THE BONDS" herein.

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

The District deems this Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except certain information on the cover page hereof and certain pages herein that has been omitted in accordance with the Rule and which will be provided with the final Official Statement.

The Bonds are offered when, as, and if issued, subject to the approval of the legality and tax exemption thereof by Dinsmore & Shohl LLP, Covington, Kentucky, as Bond Counsel. The Bonds are expected to be available for delivery on or about September 12, 2024.

Dated August __, 2024

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* Preliminary, subject to change.

KENTON COUNTY BOARD OF EDUCATION

Jesica Jehn,
Chair

Karen Collins,
Vice Chair

Shannon Herold,
Member

Erin McConnell,
Member

Carl Wicklund,
Member

Dr. Henry Webb,
Superintendent

BOND COUNSEL

Dinsmore & Shohl LLP
Covington, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U.S. Bank Trust Company, National Association
Louisville, Kentucky

REGARDING THE USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District identified on the cover page hereof. No dealer, broker, salesman, or other person has been authorized by District to give any information or to make any representations, other than those set forth in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been given or authorized by the District or the Municipal Advisor. This Official Statement does not constitute an offer to sell nor 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. 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 District since the date hereof.

Upon their issuance, the Bonds will not be registered by the District under any federal or state securities law and will not be listed on any stock exchange or any other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency, except the District, will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

All of the financial and other information presented in this Official Statement has been provided by the District from its records, except any information expressly attributed to other sources. The presentation of this information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that the past experience of the District, as is shown by the financial and other information presented in this Official Statement, will necessarily continue or be repeated in the future. Insofar as the statements contained herein involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements have been or will be realized. In addition, such statements should also be regarded as suggesting independent investigation or consultation of other sources before the making of any investment decisions. Certain information contained in this Official Statement may not be current; however, attempts were made to date and document all sources of information. Neither this Official Statement nor any oral or written representations made by or on behalf of the District prior to the sale of the Bonds should be regarded as part of the District's contract with the successful bidder or the holders from time to time of the Bonds.

All references in this Official Statement to any provisions of Kentucky law, whether codified in the Kentucky Revised Statutes or uncodified, or to any provisions of the Kentucky Constitution or the District's ordinances or resolutions, in each case, are references to such provisions as they presently exist. Any of these provisions may be amended, repealed, or supplemented from time to time.

As used in this Official Statement, "debt service" means the principal of and premium (if any) and interest on the obligations referred to, "District" means the Kenton County (Kentucky) School District, and "Commonwealth" or "Kentucky" means the Commonwealth of Kentucky.

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$25,685,000*
KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page hereof and appendices hereto, is to set forth certain information relating to the issuance of $25,685,000* aggregate principal amount of General Obligation Bonds, Series 2024A (the "Bonds") of the Kenton County (Kentucky) School District, as specified on the cover page hereof.

This introduction is not a summary of this Official Statement. It is only a brief description of and a guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page hereof and appendices hereto, and the documents and laws summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Bonds are being issued by the Kenton County (Kentucky) School District (the "District"), a school district and political subdivision of the Commonwealth of Kentucky. The District is located in Kenton County, Kentucky.

The issuance of the Bonds is authorized by (a) Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended, (b) Section 160.160 of the Kentucky Revised Statutes, as amended, and (c) a resolution duly adopted by the Board of Education (the "Board") of the District on August 5, 2024 (the "Bond Resolution").

The Bonds are being issued for the purposes of (i) financing the costs of the acquisition, construction, installation, and equipping of a new central office building, a new virtual learning center, and various other capital improvements to the facilities of the District (collectively, the "Project"), (ii) paying capitalized interest for the Bonds, if desirable, and (iii) paying the costs of issuance of the Bonds.

The Bonds are a general obligation of the District. The basic security for the Bonds is the District's ability to levy, and its pledge to levy, an annual tax in order to pay the principal of and interest on the Bonds as and when the same become due and payable (see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein).

The Bonds are offered when, as, and if issued by the District. The Bonds will be delivered on or about September 12, 2024, in New York, New York, through the Depository Trust Company (DTC).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and the related continuing disclosure documents of the District are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Bonds, including the Bond Resolution and the bond forms, may be obtained from Dinsmore & Shohl LLP, at 50 East Rivercenter Boulevard, Suite 1150, Covington, Kentucky 41011. Additional information regarding this Official Statement or the District, including financial information of the District, is available from RSA Advisors, LLC, 147 East Third Street, Lexington, Kentucky 40508, Telephone: (859) 977-6600, Attention: Dwight Salsbury.

The District deems this Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for certain information on the cover page hereof

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* Preliminary, subject to change.

and certain pages herein that has been omitted in accordance with the Rule and will be provided with the final Official Statement.

THE BONDS

Description of the Bonds

The Bonds will be dated their date of initial issuance and delivery and will bear interest from such date at the rates set forth on the cover page hereof. The Bonds are being issued as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on the Bonds will be payable semiannually on each March 1 and September 1, commencing March 1, 2025, from the later of the date of issuance or the Bonds, or the most recent date to which interest has been paid or duly provided for, and shall be paid by check or draft mailed by U.S. Bank Trust Company, National Association, as Paying Agent and Registrar for the Bonds, to the registered owners thereof, as of the applicable record date set forth below, at their respective addresses appearing on the books of the Paying Agent and Registrar. The principal amount of the Bonds shall be paid when due to the registered owners thereof, upon the surrender of the Bonds at the designated corporate trust office of the Paying Agent and Registrar located in Louisville, Kentucky. Alternatively, the principal of and interest on the Bonds may also be paid by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owners thereof. The record date for each March 1 and September 1 interest payment date shall be the preceding February 1 and August 1, respectively.

Authority for Issuance

The issuance of the Bonds is authorized by (a) Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended, (b) Section 160.160 of the Kentucky Revised Statutes, as amended, and (c) a resolution duly adopted by the Board of Education (the "Board") of the District on August 5, 2024 (the "Bond Resolution").

Redemption Provisions

Optional Redemption. The Bonds maturing on and after September 1, 2033 shall be subject to optional redemption on September 1, 2032 or any date thereafter, in whole or in part, in such order of maturity as may be selected by the District, and by lot within any maturity, at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

[Mandatory Sinking Fund Redemption. The Bonds maturing on the dates set forth below are subject to mandatory sinking fund redemption before maturity, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on the dates, in the years, and in the principal amounts as follows:]

Maturing September 1, 20[__]

Date	Amount
September 1, 20__	$
September 1, 20__	$
September 1, 20__*	$

*Final Maturity

Notice of Redemption. If less than all Bonds which, by their terms, are payable on the same date are to be called for redemption, the particular Bonds or portions thereof payable on such date and to be redeemed shall be selected by lot, by the Paying Agent and Registrar, in such manner as the Paying Agent and Registrar, in its discretion, may determine; provided, however, that (i) the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or any integral multiple thereof, and (ii) in selecting Bonds for redemption, the Paying Agent and Registrar shall treat each Bond as representing the number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

At least thirty days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption, signed by the Paying Agent and Registrar, to be mailed, postage prepaid, to all registered owners of the Bonds, or portions thereof, to be redeemed, at their addresses as they appear on the registration books maintained by the Paying Agent and Registrar; provided, however, that the failure to mail such notice shall not affect the validity of the proceedings for such redemption. Each notice of redemption shall set forth the date fixed for redemption, the redemption price to be paid, and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive numbers or letters, if any, of the Bonds to be redeemed. In addition, if any Bond is to be redeemed in part only, such redemption notice shall also set forth the portion of the principal amount of such Bond to be redeemed and shall include a statement that on or after the date fixed for redemption, upon the surrender of such Bond for redemption, a new Bond will be issued in a principal amount equal to the unredeemed portion of the Bond so redeemed.

On the date so fixed for redemption, notice having been sent in the manner and under the conditions set forth above, and moneys for the payment of the redemption price being held in a separate account by the Paying Agent and Registrar for the registered owners of the Bonds or portions thereof to be redeemed, (i) the Bonds or portions thereof so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds or portions thereof on such date; (ii) interest on the Bonds or portions thereof so called for redemption shall cease to accrue; and (iii) the registered owners of the Bonds or portions thereof to be redeemed shall have no rights in respect thereof, except the right to receive payment of the redemption price thereof and to receive new Bonds for any unredeemed portions of their Bonds.

In case part but not all of an outstanding Bond shall be selected for redemption, the registered owner thereof or their attorney or legal representative shall present and surrender such Bond to the Paying Agent and Registrar for payment of the principal amount thereof so called for redemption, and thereupon, the District shall execute and the Paying Agent and Registrar shall authenticate and deliver to or upon the order of such registered owner or their legal representative, without charge therefor, a new Bond in a principal amount equal to the unredeemed portion of the Bond so surrendered, of the same series and maturity and bearing interest at the same rate as the Bond so redeemed.

Defeasance

The Bond Resolution permits the District to defease any of the Bonds before the stated maturity thereof if (i) the District shall have given notice of the redemption of such Bond or Bonds in accordance with the Bond Resolution or shall have provided for the giving of such notice at the appropriate time, and (ii) there shall have been deposited with the Paying Agent, or any other fiduciary, either (a) moneys in an amount sufficient, or (b) Defeasance Obligations, the principal of and the interest on which, when due, will provide moneys in an amount which, together with any moneys deposited with the Paying Agent or other fiduciary at the same time, shall be sufficient, in either case, to pay, when due, the principal or redemption price, if any, and interest due and to become due on such Bonds on and before their stated maturity, the applicable redemption date, or the immediately succeeding interest payment date thereof, as the case may be. Neither any Defeasance Obligations, nor any moneys so deposited with the Paying Agent or with such other fiduciary, nor any principal or interest payments received from any Defeasance Obligations, shall be withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal or redemption price, if any, of any of the Bonds and any interest thereon; provided, however, that any cash received from such principal or interest payments on such Defeasance Obligations and deposited with the Paying Agent or any other fiduciary, if not then needed for such purposes, shall, to the extent practicable, be (1) reinvested in Defeasance Obligations maturing at such times and in such amounts as shall be sufficient to pay, when due, the principal or redemption price, if any, and interest to become due on any Bonds on and before their stated maturity, the applicable redemption date, or the immediately succeeding interest payment date thereof, as the case may be, and (2) paid over to the District, following the full discharge and payment of such Bonds, free and clear of any trust, lien, or pledge.

For the foregoing purposes, "Defeasance Obligations" means:

(a) non-callable direct obligations of the United States, including U.S. Treasury bills, notes, bonds, and zero coupon bonds, U.S. Treasury Obligations – State and Local Government Series (SLGS), and direct obligations of the U.S. Treasury that have been stripped by the Treasury itself, including CATS, TIGRS, and similar securities;

(b) non-callable obligations issued or guaranteed by the Government National Mortgage Association which are backed by the full faith and credit of the United States; and

(c) non-callable senior debt obligations issued or guaranteed by any Federal Home Loan Bank or any Federal Home Loan Bank Board or by the Farm Credit System, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.

Book-Entry Only System

The Bonds will initially be issued solely in book-entry form, to be held in the book-entry only system maintained by The Depository Trust Company (DTC). When issued, the Bonds will be registered in the name of Cede & Co., as the nominee of DTC. The purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as the book-entry only system of DTC is used, only DTC will receive, or have the right to receive, physical delivery of the Bonds, and the beneficial owners of the Bonds will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Bond Resolution. In addition, so long as DTC or its nominee is the registered owner of the Bonds, the Paying Agent and Registrar will make all payments of principal and interest due on the Bonds directly to DTC. For additional information regarding DTC and the book-entry only system see "Appendix G – Book-Entry Only System" hereto.

THE INFORMATION SET FORTH IN THIS SECTION AND APPENDIX G ATTACHED HERETO CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General Obligation

The Bonds are general obligations of the District, and the full faith, credit, and taxing power of the District are irrevocably pledged to the payment of the principal of and interest on the Bonds as and when due and payable. The basic security for general obligation indebtedness of the District, including the Bonds, is the District's ability to levy, and its pledge to levy, an annual tax to pay the principal of and interest on all general obligation indebtedness of the District, including the Bonds, as and when the same become due and payable. The tax must be levied in sufficient amount to pay, as and when the same become due and payable, the principal of and interest on all outstanding general obligation bonds, including the Bonds, and other outstanding general obligation indebtedness of the District. Under Section 159 of the Kentucky Constitution, the District is required to collect an annual tax sufficient to pay the interest on all authorized indebtedness and to establish and maintain a sinking fund for the payment of the principal amount thereof. The Bond Resolution provides for the levy of such annual tax, which shall be collected to the extent other lawfully available moneys of the District are not provided or available. The Bond Resolution also creates and provides for the maintenance of a Sinking Fund, into which the proceeds of such annual tax or other lawfully available moneys of the District are to be deposited for the payment of the principal of and interest on the Bonds and all other general obligation indebtedness of the District, and the amounts on deposit in the Sinking Fund shall not be used for any other purpose.

Statutory Lien

Section 66.400 of the Kentucky Revised Statutes, as amended (the "Municipal Bankruptcy Law"), permits any political subdivision, public agency, or instrumentality of the Commonwealth, such as the District, for the purpose of enabling such political subdivision, public agency, or instrumentality to take advantage of the provisions of Chapter 9 of the United States Bankruptcy Code and, for that purpose only, (i) to file a petition stating that such political subdivision, public agency, or instrumentality (a) is insolvent or unable to meet its debts as they mature, and (b) desires to effectuate a plan for the composition or readjustment of its debts, and (ii) to take any further proceedings as are set forth in the United States Bankruptcy Code, as they relate to such political subdivision, public agency, or instrumentality. Under the Municipal Bankruptcy Law, the District does not need the approval or permission of the Kentucky Department for Local Government's State Local Debt Officer or any other governmental authority before availing itself of the bankruptcy process. In addition, under the Municipal Bankruptcy Law, the District may be authorized to initiate Chapter 9 bankruptcy proceedings without any prior notice to or consent of its creditors, which bankruptcy proceedings may result in a material and adverse modification or alteration of the rights of the District's secured and unsecured creditors, including the holders of its bonds and notes. See "INVESTMENT CONSIDERATION – Risk of Bankruptcy" herein.

The Municipal Bankruptcy Law provides that (a) a statutory lien exists on any tax revenues pledged for the benefit of general obligation debt; (b) such tax revenues are pledged for the repayment of the principal of and premium (if any) and interest on all outstanding general obligation indebtedness, regardless of whether such pledge is contained in the documents or proceedings authorizing such indebtedness; and (c) such pledge constitutes a first lien on such tax revenues. In addition, the Municipal Bankruptcy Law also creates a statutory lien on annual appropriations for the payment of any obligations subject to annual renewal, including, without limitation, any leases entered into under Chapter 58 and Chapter 65 of the Kentucky Revised Statutes.

The validity and priority of the statutory lien imposed by the Municipal Bankruptcy Law have not been adjudicated in any Chapter 9 bankruptcy proceeding or otherwise.

State Intercept

The District has agreed that so long as the Bonds are outstanding, and in conformance with the intent and purpose of Section 157.627(5) and Section 160.160(5) of the Kentucky Revised Statutes, in the event of any failure by the District to pay debt service on the Bonds, and unless sufficient funds have been or will be transmitted to the Paying Agent and Registrar for the payment of such debt service when due, the District will (i) notify and request the Kentucky Department of Education to withhold from the District a sufficient portion of any undisbursed funds then held, set aside, or allocated to the District, and (ii) request either the Kentucky Department of Education or the Commissioner of Education thereof to transfer the required amount of such withheld funds to the Paying Agent and Registrar for the payment of such debt service.

State Participation

The Kentucky School Facilities Construction Commission (the "Commission") is an independent corporate agency and instrumentality of the Commonwealth established and existing under the provisions of Sections 157.611 to 157.640, inclusive, 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.

In accordance with the provisions of the Act and the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that it will not participate in the payment of debt service on the Bonds.

PLAN OF FINANCING

The Bonds are being issued for the purposes of (i) financing the costs of the acquisition, construction, installation, and equipping of a new central office building, a new virtual learning center, and various other capital improvements to the facilities of the District (collectively, the "Project"), (ii) paying capitalized interest for the Bonds, if desirable, and (iii) paying the costs of issuance of the Bonds, including rating fees, the fees of the Municipal Advisor, the Paying Agent and Registrar, and Bond Counsel, and all other appropriate expenses as may be approved by the District.

SOURCES AND USES OF FUNDS

Sources:	
Bond Proceeds	$________
[Plus Original Issue Premium][Less Original Issue Discount]	________
Total Sources	$________
Uses:	
Underwriter's Discount	$________
Deposit to Construction Fund	________
Cost of Issuance	________
Total Uses	$________

INVESTMENT CONSIDERATIONS

The following is a discussion of certain investment considerations for investors to consider regarding risks that could affect payments to be made with respect to the Bonds. Such discussion is not exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all of the risks that could affect such payments. Prospective purchasers of the Bonds should carefully analyze all of the information contained in this Official Statement, including the Appendices hereto, and any additional information in the form of the complete documents summarized herein, copies of which are available as described herein.

Limitation on Enforcement of Remedies

The enforcement of the remedies applicable to the Bonds under the Bond Resolution may be limited or restricted by laws relating to bankruptcy and insolvency and by the rights of creditors under the application of general principles of equity, and may be substantially delayed or subject to judicial discretion in the event of litigation or the use of statutory remedial procedures. All legal opinions concerning the enforceability of the Bonds delivered in connection with the Bonds contain an exception with respect to the limitations that may be imposed by bankruptcy and insolvency laws and by the rights of creditors under general principles of equity.

Risk of Bankruptcy

The obligations of the District under the Bonds and the Bond Resolution are general obligations of the District and are secured by the pledge of the District's full faith, credit, and taxing power, any moneys held in the District's Sinking Fund (on a parity with all other general obligation indebtedness of the District) or the Bond Payment Fund established under the Bond Resolution, and the statutory lien provided by the Municipal Bankruptcy Law. A bondholder's enforcement of any remedies provided under the Bond Resolution may be limited or delayed in the event of the application of any federal bankruptcy laws or any other laws affecting creditors' rights generally, and may be substantially delayed and subject to judicial discretion in the event of any litigation or any required use of statutory remedial procedures. The validity and priority of the statutory lien provided under the Municipal Bankruptcy Law have not been adjudicated in any Chapter 9 bankruptcy proceeding or otherwise.

In accordance with the Municipal Bankruptcy Law, the District is permitted to file a petition for relief under Chapter 9 of Title 11 of the United States Code (the "Bankruptcy Code") without the prior approval of any official or department of state government, including the Kentucky Department for Local Government's State Local Debt Officer. If the District were to file such a petition, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceedings against the District and any interest in (a) any moneys contained in the Sinking Fund or the Bond Payment Fund, (b) the District's general fund revenues, or (c) the District's taxing power. However, any such petition does not stay the application of pledged special revenues, as defined by the Bankruptcy Code.

During its bankruptcy proceedings, the District could use its property, including its tax receipts and the proceeds thereof, but excluding any pledged special revenues, for the benefit of its bankruptcy estate, despite the claims of its creditors. Notwithstanding the foregoing, it is possible that the District could use its pledged special revenues to pay certain operating expenses, even after filing its bankruptcy petition.

In a Chapter 9 proceeding under the Bankruptcy Code, only the District, and not any other creditor or party in interest, could file a proposed plan of adjustment. The plan of adjustment is the vehicle for satisfying, and provides for the comprehensive treatment of, all of the claims against the District, and could result in the modification of the rights of any class of creditors, whether secured or unsecured, which modification of rights could be contrary to state law. For a plan to be confirmed, except for one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class of impaired creditors approves a plan if, of those who vote, those holding more than one-half in number and at least two-thirds in amount vote in favor of the plan. If fewer than all impaired classes vote to accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and all claims and interests would be bound thereby, regardless of whether or how they voted. For this "cramdown" to occur, at least one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the non-consenting classes. In addition, for a plan of adjustment to be confirmed, the bankruptcy court must also determine that the plan, among other requirements, is proposed in good faith and is in the best interest of creditors, such that the plan of adjustment represents a reasonable effort by the District to satisfy its debts and is a better alternative than dismissal of the bankruptcy case. Unlike in a Chapter 11 proceeding, in a Chapter 9 proceeding, this standard does not include the use of a liquidation analysis.

Generally, the District would likely receive a discharge of its debts after (i) the plan of adjustment is confirmed; (ii) the District deposits any consideration to be distributed under the plan with a disbursing agent appointed by the bankruptcy court; and (iii) the bankruptcy court determines that the securities so deposited with the disbursing agent will constitute valid and legal obligations of the District and that any provision made to pay, or to secure the payment of, such obligations is valid.

See the additional discussion regarding the statutory pledge of tax revenues provided for the Bonds under the heading "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Statutory Lien" herein. Prospective bondholders should consult their legal counsel regarding the impact of a bankruptcy filing by the District on the payment and security of the Bonds.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The interest rates borne by the Bonds are intended to compensate the investor for assuming this element of risk. Prospective investors should carefully examine this Official Statement, including the Appendices hereto, and assess their ability to bear the economic risk of such an investment and determine whether or not the Bonds are an appropriate investment for them.

Additional Debt

The District may, from time to time, issue additional general obligation bonds or notes. The issuance of additional general obligation bonds or notes would increase the District's overall debt service requirements and could adversely affect the debt service coverage on the Bonds.

General Economic Conditions

Adverse general economic conditions may result in, among other adverse circumstances, a reduction in general tax revenues or decrease in investment portfolio values, resulting in increased funding requirements, which could negatively impact the results of operations and overall financial condition of the District.

Market for the Bonds

There is presently no secondary market for the Bonds and no assurance that a secondary market will develop. Consequently, investors may not be able to resell any of the Bonds they purchase should they need or wish to do so for emergency or other purposes.

Bond Rating

There can be no assurance that the rating assigned to the Bonds at the time of issuance will not be lowered or withdrawn at any time in the future, the effect of which could adversely affect the market price for the Bonds and the marketability of the Bonds. For more information, see "RATING" herein.

Tax Implications

Prospective purchasers of the Bonds may need to consult their own tax advisors before purchasing any Bonds regarding the impact of the Internal Revenue Code of 1986, as amended (the "Code"), upon their acquisition, holding, or disposition of the Bonds.

THE DISTRICT

General

The District is a school district and political subdivision of the Commonwealth existing under and by virtue of Chapter 160 of the Kentucky Revised Statutes. In accordance with Section 160.160 of the Kentucky Revised Statutes, the District is under the management and control of the Kenton County Board of Education, consisting of five members, representing each of the District's five educational districts, elected to a four-year term on a non-partisan ballot by the voters of their respective educational districts. Each year, the Board elects a Chair and a Vice Chair from its members to serve a one year term. The Superintendent of the District serves as the executive agent of the Board and has the authority and responsibility to implement Board policy.

The Board has general control and management of all public schools within the District, including the control and management of all public school funds and school property, and may use such funds and property to promote public education within the District. The Board has the power, among others, to levy tax rates in compliance with statutory and regulatory requirements and to issue bonds to build and construct improvements to the public schools and related facilities within the District.

The members of the Board of Education of the District and their terms of office are as follows:

Member	Original Term Began	Current Term Ends
Jesica Jehn, Chair	July 1, 2013	December 31, 2026
Karen Collins, Vice Chair	January 1, 1997	December 31, 2024
Shannon Herold	January 1, 2019	December 31, 2026
Erin McConnell	May 1, 2023	December 31, 2024
Carl Wicklund	January 1, 1991	December 31, 2024

Kentucky Department of Education Supervision

No later than September 30 of each year, the District is required to submit to the Kentucky Department of Education (the "KDE") a tentative and working budget, on forms prescribed and furnished by the KDE, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the District during the succeeding fiscal year, as well as the estimated amount that will be received from all other sources. The working budget shall be disapproved by the KDE if (i) it is financially unsound, (ii) it fails to provide for (a) the payment of maturing principal and interest on any outstanding voted school improvement bonds, or (b) the payment of rentals in connection with any outstanding school building revenue bonds, or (iii) it fails to comply with any applicable law.

Each year, upon the receipt of local property assessments from the Kentucky Department of Revenue, the KDE certifies to the District (i) the general tax rate that the District could levy under Section 160.470(1) of the Kentucky Revised Statutes and the amount of revenue expected to be produced, (ii) the compensating tax rate, as defined in Section 132.010 of the Kentucky Revised Statutes, for the District's general tax rate and the amount of revenue expected to be produced, and (c) the general tax rate which will produce, respectively, no more revenue from real property, exclusive of any revenue from new property, than 4% over the amount of revenue produced by the compensating tax rate described in (ii) above, and the amount of revenue expected to be produced. Within thirty days after the District has received its tax assessment data, the rates levied by the District shall be forwarded to the KDE for its approval or disapproval.

KDE supervision also extends to other areas of local school finance, including supervision of general operations, such as the examination of business methods and accounts of the District and requirements for the submission to the KDE of prompt, detailed reports of all receipts and expenditures. The KDE also requires all local school districts, including the District, who have entered into contracts for the issuance of bonds to arrange for insurance protection in an amount equal to the full insurable value of the buildings and for the continuous retention of such insurance. KDE's supervision and control over local school districts in the Commonwealth is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in the payment of its revenue bonds for school purposes.

Revenue Sources within the District

General Property and Motor Vehicle Tax

The Board of the District levies a tax on real estate, personal property, and motor vehicles at a specific rate per $100.00 of assessed valuation. See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for the rates assessed over the previous five-year period.

SEEK Program

The SEEK Program allocates biennial appropriations from the Kentucky General Assembly to each school district in Kentucky. The base level of funding is determined for each fiscal year by dividing the total annual SEEK appropriation by the state-wide total of pupils in average daily attendance in the preceding fiscal year. Each district's share of SEEK funding is subject to adjustment in order to reflect various factors. See "COMMONWEALTH SUPPORT FOR EDUCATION" for more details.

See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for a recent history of the SEEK Program appropriations to the District.

Capital Outlay Allotment

The SEEK Program also provides for an annual payment to all Kentucky school districts for capital construction or acquisition (the "Capital Outlay Allotment"). Funds from the Capital Outlay Allotment are not directly pledged for debt service but, as a practical matter, and to the extent needed, have been and will continue to be applied to debt service through rental payments on lease agreements and general obligation bond payments.

The Commonwealth has established a formula to calculate Capital Outlay Allotments, which results in the allocation of funds to a district for capital expenditures at a rate of $100.00 per average daily pupils in attendance. Capital Outlay Allotments are required to be segregated into the Capital Outlay Allotment Fund and may be used only for (i) the direct payment of construction costs; (ii) the payment of debt service on voted and funding bonds; (iii) the payment of lease rental payments or general obligation bond payments in support of bond issues; (iv) the reduction of any deficits resulting from over-expenditures for any emergency capital construction; and (v) the establishment of a reserve for each of the categories enumerated in (i) through (iv).

The Capital Outlay Allotment received by the District for the most recent five-year period is set forth in "Appendix B – Tax Base, Operating, and Demographic Data" hereto.

<u>FSPK Program</u>

The FSPK Program provides funds for districts to support debt service and capital expenditures. The amount of FSPK funds a particular district receives is based on a funding formula that takes into consideration such district's average daily attendance and the amount of local revenue generated on such district's tax base relative to a state-wide average assessment.

See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for a recent history of the FSPK Program appropriations to the District.

Tax Base Information

<u>Homestead Exemption</u>

Section 170 of the Kentucky Constitution was amended by Kentucky voters at the General Election held on November 2, 1971, to exempt from property taxes the first $6,500 of single-unit residential property of taxpayers 65 years of age or older. After that election, the 1972 Regular Session of the Kentucky General Assembly enacted Section 132.810 of the Kentucky Revised Statutes in order to establish the qualifications for the homestead exemption and to provide for the application thereof. In later legislative sessions, the Kentucky General Assembly amended Section 132.810 of the Kentucky Revised Statutes, (i) to enlarge the "single-unit" qualification to allow the homestead exemption to apply to real property "held by legal or equitable title, by the entireties, jointly, in common, as a condominium" maintained as the permanent residence of the owner, (ii) to construe the $6,500 exemption to mean $6,500 in terms of the purchasing power of the dollar in 1972, (iii) to allow the maximum exemption to be adjusted every two years if the cost of living index of the United States Department of Labor has changed as much as 1% over the preceding two-year period, and (iv) to permit counties and school districts to adjust their local tax revenues through increases in the tax rates on non-exempt property in order to generate tax revenues in an amount equivalent to the revenues lost through the application of the homestead exemption. The amount of the individual homestead exemption for the current tax period is $46,350.

<u>Limitation on Taxation</u>

The 1990 Regular Session of the Kentucky General Assembly, in enacting the comprehensive KERA legislative package, (i) amended the provisions of Section 160.470 of the Kentucky Revised Statutes, which prohibited school districts from levying ad valorem property taxes that would generate revenues in excess of 4% of the previous year's revenues without such levy being subject to recall, and (ii) amended Section 157.440 of the Kentucky Revised Statutes, for the purpose of creating an exception to the referendum and public hearing requirements imposed by Section 160.470 of the Kentucky Revised Statutes for certain taxes levied by school districts.

Under Section 160.470(9) of the Kentucky Revised Statutes, for fiscal years beginning July 1, 1990, school districts are permitted to levy a "minimum equivalent tax rate" of $0.30 for general school purposes. The "equivalent tax rate" is defined as the rate that results when the income collected during the prior year from all taxes (including occupational and utility taxes) levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Kentucky Department of Revenue. Failure to levy the minimum equivalent rate subjects the board of the district to removal. Levies permitted by Section 160.470(9) of the Kentucky Revised Statutes are not subject to the public hearing or recall provisions set forth in Section 160.470(7) and (8) of the Kentucky Revised Statutes.

Under Section 157.440(1) of the Kentucky Revised Statutes for fiscal years beginning July 1, 1990, school districts are permitted to levy an "equivalent tax rate," as defined in Section 160.470(9) of the Kentucky Revised Statutes, which will produce up to 15% of those revenues guaranteed by the SEEK Program. Levies permitted by Section 157.440(1) of the Kentucky Revised Statues are not subject to the public hearing or recall provisions as set forth in Section 160.470(7) and (8) of the Kentucky Revised Statutes.

Section 159 of the Kentucky Constitution requires the collection of an annual tax sufficient to pay the interest on contracted indebtedness and to retire indebtedness over a period not exceeding forty years.

Appendix D to this Official Statement contains a Statement of Indebtedness for the District, certified by the Treasurer of the Board, which sets forth the property tax rates currently levied by the District and certifies that the issuance of the Bonds will not cause such tax rates to increase to an amount in excess of the above-described maximum permissible rates.

Investment Policy

Section 66.480 of the Kentucky Revised Statutes sets forth the requirements and limitations relating to investments by the state's political subdivisions, including the District. In accordance with the provisions thereof, the District must adopt an investment policy and may only invest its funds, with the approval of the Kentucky Board of Education, in the classifications of obligations which are eligible for investment, which includes:

(a) Obligations of the United States and its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of such obligations is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;

(b) Obligations and contracts for the future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States governmental agency, including, but not limited to:

1. United States Treasury obligations;
2. United States Export-Import Bank notes or guaranteed participation certificates;
3. Farmers Home Administration insured notes;
4. Governmental National Mortgage Corporation obligations; and
5. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including, but not limited to:

1. the Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. the Bank for Cooperatives (CoBank);
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. the Federal National Mortgage Association; and
8. the Tennessee Valley Authority;

(d) Certificates of deposit or other interest-bearing accounts issued through any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or a similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by Section 41.240(4) of the Kentucky Revised Statutes;

(e) Uncollateralized certificates of deposit issued by a bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;

(g) Commercial paper rated in the highest category by a competent rating agency;

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

(i) Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;

(j) Shares of mutual funds, each of which shall have the following characteristics:

1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
2. The management company of the investment company shall have been in operation for at least five years; and
3. All of the securities in the mutual fund shall be eligible investments hereunder;

(k) Individual equity securities, if the funds being invested will be managed by a professional investment manager that is regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed 25% of the equity allocation; and

(l) Individual high-quality corporate bonds managed by a professional investment manager and that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten years; and
3. Are rated in the three highest rating categories by at least two competent credit rating agencies.

The District's current investment policy adopted on August 2, 2021 matches the investments permitted by Section 66.480 of the Kentucky Revised Statutes.

The District values legality, safety, liquidity, and yield, in that order.

Debt Limitation

Section 158 of the Kentucky Constitution provides that taxing districts, including the District, shall not incur indebtedness to an amount exceeding 2% of the value of the taxable property therein, as estimated by the last assessment previous to the incurring of the indebtedness; provided, however, that Section 158 of the Kentucky Constitution also provides that nothing shall prevent the issue of any renewal bonds or bonds to fund the floating indebtedness of any city, county, or taxing district. In addition, Section 158 of the Kentucky Constitution also grants the Kentucky General Assembly the power, subject to the limits and conditions set forth in Section 158 and elsewhere in the Kentucky Constitution, to establish additional limits on indebtedness and the conditions under which debt may be incurred by cities, counties, and taxing districts.

Section 66.041 of the Kentucky Revised Statutes provides the same limitations on indebtedness as are set forth in Section 158 of the Kentucky Constitution, and further states that the debt limitations apply to "net indebtedness." In calculating "net indebtedness," Section 66.031 of the Kentucky Revised Statutes provides that certain obligations of a city, county, or taxing district are not to be considered as "indebtedness," including any notes issued in anticipation of bonds, self-supporting obligations, revenue bonds, special assessment debt, and other infrequently-issued types of obligations. For a complete list of all of the District's debt exempt from the calculation of "net indebtedness," see the Statement of Indebtedness attached hereto as Appendix D.

Appendix D to this Official Statement contains a Statement of Indebtedness for the District, certified by the Treasurer of the Board, that calculates the amount of the outstanding obligations of the District (including the Bonds) that are subject to the 2% total direct debt limit. The total principal amount of general obligation debt that could be issued by the District, subject to the 2% debt limitation, is $246,412,586, and the District's net debt subject to such limit presently outstanding (including the Bonds) is $25,685,000[*], leaving a balance of approximately $220,727,586[*] borrowing capacity issuable within such limitation.

However, as described under the heading "THE DISTRICT – Tax Base Information – Limitation on Taxation" herein, the District's ability to incur debt in these amounts is also restricted by tax limitations. In the case of general obligation debt, both the debt limitation and tax limitation must be met.

Bond Anticipation Notes

As provided by Section 56.513 and Section 58.150 of the Kentucky Revised Statutes, school districts are authorized to issue notes from time to time, including renewal notes, in anticipation of the issuance of any bonds, upon the same terms and conditions as bonds, except bond anticipation notes may be sold by private, negotiated sale in any manner determined or authorized by the board of education of the district. The ability of a school district to retire its bond anticipation notes from the proceeds of the sale of either bonds or renewal notes will ultimately depend upon the marketability of such bonds or renewal notes under the market conditions prevailing at the time of such sale.

LEGAL MATTERS

General

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status thereof are subject to the approving legal opinion of Dinsmore & Shohl LLP, as Bond Counsel for the Bonds. Upon delivery to the successful bidder therefor, the Bonds will be accompanied by an approving legal opinion dated the date of such delivery, rendered by Dinsmore & Shohl LLP. A draft of the approving legal opinion for the Bonds is set forth in "Appendix E – Form of Approving Legal Opinion of Bond Counsel" hereto.

As Bond Counsel, Dinsmore & Shohl LLP has performed certain functions to assist the District in the preparation of this Official Statement. However, the firm assumes no responsibility for, and will express no opinion regarding the accuracy or completeness of this Official Statement or any other information relating to the District or the Bonds that may be made available by the District or others to the bidders, the holders of the Bonds, or any other persons.

The engagement of the firm as Bond Counsel for the Bonds is limited to (i) the preparation of certain documents contained in the transcript of proceedings for the Bonds, and (ii) an examination of such transcript

[*] Preliminary, subject to adjustment.

of proceedings incident to rendering its approving legal opinion for the Bonds. In its capacity as Bond Counsel, the firm has reviewed the information set forth in this Official Statement under the Sections entitled "THE BONDS – Authority for Issuance," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS," "THE DISTRICT – Tax Base Information – Limitation on Taxation," "THE DISTRICT – Debt Limitation," "LEGAL MATTERS – General," and "LEGAL MATTERS – Tax Treatment," which review did not include independent verification of the financial statements and the statistical data included therein, if any.

Transcript and Closing Certificates

A complete transcript of proceedings for the Bonds, including a no litigation certification and other appropriate closing documents, will be delivered by the District when the Bonds are delivered to the original purchaser thereof. At the time of delivery, the District will also provide the original purchaser of the Bonds with a certification, executed by the Chair or the Treasurer of the Board or the Finance Director of the District, and addressed to such purchaser, relating to the accuracy and completeness of this Official Statement.

Litigation

To the knowledge of the District, no litigation, administrative action, or other proceeding is pending or threatened directly affecting the Bonds, the security for the Bonds, or the improvements being financed with the proceeds of the Bonds. A no litigation certification to that effect will be delivered to the original purchaser of the Bonds at the time of the delivery of the Bonds.

Tax Treatment

General

In the opinion of Bond Counsel, based on an analysis of existing laws, regulations, rulings, and court decisions in effect as of the date hereof, interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals (for a discussion of the corporate alternative minimum tax, see "LEGAL MATTERS – Tax Treatment – Corporate Alternative Minimum Tax" herein). In addition, Bond Counsel is also of the opinion that interest on the Bonds will be exempt from Kentucky income taxation and that the Bonds will be exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

A copy of the opinion of Bond Counsel to be delivered concurrently with the issuance of the Bonds is set forth in "Appendix E – Form of Approving Legal Opinion of Bond Counsel" hereto.

The Code imposes various restrictions, conditions, and requirements with respect to the exclusion of interest on certain obligations, including the Bonds, from gross income for federal income tax purposes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes. Any failure to comply with these covenants could result in the interest on the Bonds being includable in gross income for federal income tax purposes, and such inclusion could be required retroactively to the date of issuance of the Bonds. The approving legal opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or any events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bonds and any other documents related thereto may be changed, and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Bonds or such other documents. Bond Counsel expresses no opinion as to any Bonds or the tax status of the interest thereon if any such change occurs or any such action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel is of the opinion that the interest on the Bonds will be excludable from gross income for federal income tax purposes and that interest on the Bonds will be excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with its tax counsel with respect to the effects of the purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership, or disposition of the Bonds may result in other collateral federal, state, or local tax consequences for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code; increasing the federal tax liability of certain insurance companies under Section 832 of the Code; increasing the federal tax liability and affecting the status of certain S Corporations subject to Section 1362 and Section 1375 of the Code; increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code; and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain taxpayers under Section 265 of the Code. Finally, the residence of a bondholder in a state other than Kentucky or a bondholder being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed on such bondholder by such states or their political subdivisions based on the interest or other income from the Bonds.

The District has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of the bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next call date. The Bonds that bear an interest rate that is higher than the yield (as shown on the cover page hereof) are initially being 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 (each, a "tax-exempt bond"), must be amortized and will reduce the bondholder's adjusted basis in the bond. However, no amount of amortized Acquisition Premium on any tax-exempt bonds may be deducted in determining a bondholder's taxable income for federal income tax purposes. The Acquisition Premium paid on any Premium Bonds or any other Bonds that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in the 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

The Bonds having a yield that is higher than the interest rate (as shown on the cover page hereof) are being offered and sold to the public at an original issue discount ("OID") from the amounts payable on such Bonds (the "Discount Bonds") at maturity. OID is an amount equal to 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 in accordance with that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of such bond, and for the Discount Bonds, the amount of such accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semiannual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period such purchaser owns the Discount Bond 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 and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

In addition to the foregoing, OID 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 of the Discount Bonds should be aware that the accrual of OID in each year may result in an alternative minimum tax liability, additional distribution requirements, or other collateral federal income tax consequences even though the owner of such Discount Bond has not received cash attributable to such OID 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.

Corporate Alternative Minimum Tax

The Inflation Reduction Act of 2022 imposes a new corporate alternative minimum tax equal to 15% of the "adjusted financial statement income" of an "applicable corporation," both as defined in Section 59(k) of the Code. Generally, an applicable corporation includes any corporation (as defined for federal income tax purposes, other than S corporations, regulated investment companies, and real estate investment trusts) with an "average annual adjusted financial statement income" of more than $1,000,000,000 over any preceding period of three tax years (ending with a tax year ending after December 31, 2021). The corporate alternative minimum tax applies for all tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on tax-exempt bonds, such as the interest on the Bonds, is included (i) in computing "average annual adjusted financial statement income" for the purposes of determining whether a corporation qualifies as an "applicable corporation," and (ii) in determining an applicable corporation's "adjusted financial statement income" for the purposes of calculating the alternative minimum tax imposed on applicable corporations under Section 55 of the Code, regardless of the issue date of such tax-exempt bonds.

CONTINUING DISCLOSURE

In accordance with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), the District will execute and deliver a Continuing Disclosure Certificate to be dated the date of issuance of the Bonds (the "Continuing Disclosure Certificate"), the form of which is set forth in "Appendix F – Form of Continuing Disclosure Certificate" hereto, for the benefit of all parties who may become registered owners or beneficial owners of the Bonds from time to time. Under the Continuing Disclosure Certificate, so long as the Bonds remain outstanding, the District will agree to comply with the provisions of the Rule by causing the following the following information to be provided:

(i) to the Municipal Securities Rulemaking Board (the "MSRB"), or to any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system, as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the SEC, for each fiscal year of the District, certain annual financial information and operating data of the District (the

"Annual Financial Information"), including the audited financial statements of the District, generally consistent with (i) the financial information and operating data of the District set forth under the following headings of Appendix B to the Offering Document: "Assessed Value of Property," "Historical Tax Rates," "Tax Receipts," "Top Ten Taxpayers of the District," "Attendance," and "SEEK Funds," and (ii) the audited financial statements of the District set forth in "Appendix C – Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2023" hereto. The Annual Financial Information shall be provided annually, no later than 270 days after the end of the fiscal year ending on the preceding June 30, commencing with the fiscal year ended June 30, 2024, provided, however, that audited financial statements may not be available by such date, but shall be made available immediately upon delivery thereof by the auditors for the District; and

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

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions, issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or any other material events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;
(h) Bond calls, if material, and tender offers (except for any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution, or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Bankruptcy, insolvency, receivership, or other similar event of the District (Note: This event is considered to occur upon the occurrence of any of the following: The appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or under any other state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession of such assets or business, but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
(m) The consummation of any merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than in accordance with its terms, if material;
(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the District, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect its security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or any other similar events under the terms of any Financial Obligation of the District, any of which reflect financial difficulties.

(iii) in a timely manner, to the MSRB through EMMA, notice of a failure (of which the District has knowledge) of the District to provide the required Annual Financial Information on or before the date specified in the Continuing Disclosure Certificate.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC.

The Continuing Disclosure Certificate provides bondholders, including the beneficial owners of the Bonds, with certain enforcement rights in the event of failure by the District to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Continuing Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein.

For purposes of this transaction with respect to events as set forth in the Rule:

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

(b) there are no liquidity providers applicable to the Bonds; and

(c) there is no property securing the repayment of the Bonds.

As of the date of this Official Statement, the District is in compliance with the reporting requirements of the Rule for the past five years for which it is an "obligated person," as defined in the Rule. The District intends to file all future Annual Financial Information within the time requirements specified in the Rule, the Continuing Disclosure Certificate, and the District's existing continuing disclosure undertakings relating to other outstanding debt issues, and the District has adopted policies and procedures to ensure the timely filing thereof, which policies and procedures are available to the public upon request.

Financial information regarding the District may be obtained from the Superintendent of the District at 1055 Eaton Drive, Fort Wright, Kentucky 41017.

RATING

As noted on the cover page of this Official Statement, Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "[__]" and an enhanced rating of"[__]" to the Bonds. Such rating reflects only the view of Moody's. Any explanation of the significance of such rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300. The District furnished Moody's with certain information and materials about the Bonds and themselves. Generally, rating agencies base their ratings upon such information and materials received from issuers and upon investigations, studies, and assumptions by the rating agencies.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if, in its judgment, the circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability and/or market price of the Bonds.

The District presently expects to furnish Moody's with any information and materials that Moody's may request on future general obligation bond issues. However, the District assumes no obligation to furnish any requested information and materials and may issue debt for which a rating is not requested. The failure to furnish any requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of Moody's ratings on the District's outstanding general obligation bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by [____] (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $[____] (reflecting the par amount of the Bonds, [plus/less] net original issue [premium/discount] of $[____], and less underwriter's discount of $[____].) The initial public offering prices which produce the yields set forth on the cover page of this Official Statement may be changed by the Underwriter, and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering prices which produce the yields set forth on the cover page hereof.

MUNICIPAL ADVISOR

RSA Advisors, LLC, Lexington, Kentucky, has acted as Municipal Advisor (the "Municipal Advisor") to the District in connection with the issuance and sale of the Bonds and will receive a fee, payable from the proceeds of the Bonds, for its services rendered as the Municipal Advisor to the District, contingent upon the issuance and sale of the Bonds. The Municipal Advisor has compiled certain data relating to the Bonds contained herein. The Municipal Advisor is not obligated (i) to undertake, and has not undertaken, to make an independent verification of, or (ii) to assume responsibility for the accuracy, completeness, or fairness of the information contained herein. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing securities.

MISCELLANEOUS

To the extent any statements contained herein involve matters of opinion or estimates, whether or not expressly stated to be such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. The information contained in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be reliable, but such information, other than any information obtained from the official records of the District, has not been independently confirmed or verified by the District, and the accuracy of any such information is not guaranteed. Neither this Official Statement nor any statement which may have been made, either orally or in writing, by or on behalf of the District is to be construed as a contract with the holders of the Bonds.

This Official Statement has been duly executed and delivered in the name and on behalf of the District by the Chair of the Board of the District.

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT

By: /s/ Jesica Jehn
Chair

APPENDIX A

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

ESTIMATED DEBT SERVICE REQUIREMENTS FOR THE BONDS AND
TOTAL ANNUAL DEBT SERVICE REQUIREMENTS OF THE DISTRICT

ESTIMATED DEBT SERVICE REQUIREMENTS FOR THE BONDS

Date	Principal	Interest	Total	Fiscal Year Total
03/01/2025				
09/01/2025				
03/01/2026				
09/01/2026				
03/01/2027				
09/01/2027				
03/01/2028				
09/01/2028				
03/01/2029				
09/01/2029				
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09/01/2035				
03/01/2036				
09/01/2036				
03/01/2037				
09/01/2037				
03/01/2038				
09/01/2038				
03/01/2039				
09/01/2039				
Total:				

TOTAL ANNUAL DEBT SERVICE REQUIREMENTS OF THE DISTRICT

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APPENDIX B

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

TAX BASE, OPERATING, AND DEMOGRAPHIC DATA OF THE DISTRICT

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
COUNTY OF KENTON, KENTUCKY

TAX BASE, OPERATING, AND DEMOGRAPHIC DATA

The Kenton County School District (the "District") is located in Kenton County, Kentucky. Kenton County is located in the Northern Kentucky Area at the confluence of the Ohio River and the Licking River, south of Cincinnati, Ohio, in the Bluegrass Region of Kentucky. Kenton County occupies a total area of 164 square miles, including approximately 160 square miles of land and 4 square miles of water. The elevation in Kenton County ranges from 455 feet (139 m) to 960 feet (293 m) above sea level. Kenton County had an estimated population of 171,242 in2023.

The Northern Kentucky Area, which covers a total area of 559 square miles, is composed of Boone County, Campbell County, and Kenton County, and is ideally situated along and adjacent to the south bank of the Ohio River, directly south of Cincinnati, Ohio. The Northern Kentucky Area is part of the Cincinnati Metropolitan Statistical Area. The Northern Kentucky Area forms the northern apex of an industrial triangle anchored by Louisville, Kentucky on the southwest and Lexington, Kentucky on the southeast. More than one-third of the population of Kentucky and one-half of the manufacturing jobs in Kentucky are located within the triangle. The interstate highway system places these three metropolitan areas within less than a two hour drive from each other.

The District is operated by a statutory Board of Education (the "Board") organized and existing under and in accordance with Chapter 160 of the Kentucky Revised Statutes and vested with the responsibility of providing for public education in the District by establishing and operating public schools. The Board consists of five members. The members of the Board are elected for a four-year term on a non-partisan ballot. Terms are staggered so that terms of not more than three members expire at the same time.

The Economic Framework

In 2023, Kenton County had a labor force of 96,732 people with an unemployment rate of 4.40%. The top five jobs by occupation were as follows: (1) office and administrative support – 8,927 (14.83%), (2) executive managers and administrators – 5,289 (8.78%), (3) sales – 5,226 (8.68%), (4) production workers – 5,005 (8.31%), and (5) education, training/library – 4,014 (6.67%).

Transportation

The major highways serving the Northern Kentucky Area include Interstates 71, 75, 275, and 471, and U.S. Highways 42/127, 25, and 27. The Cincinnati/Northern Kentucky International Airport, located in Boone County, Kentucky, provides commercial airline services to the area and is a major hub for Delta Airlines. The Southern Railway System and CSX Transportation provide main line rail service to the area. Several barge and towing companies provide barge transportation on the Ohio River. The Port of Cincinnati extends 30 miles along both banks of the Ohio River.

Power and Fuel

Electric power is provided to the Northern Kentucky Area by Duke Energy Kentucky, E. ON US/KU, East Kentucky Power Cooperative, and Owen Electric Cooperative, Inc. Natural gas services are provided to major portions of the Northern Kentucky Area by Duke Energy Kentucky.

TAX BASE INFORMATION

Assessed Value of Property

Fiscal Year	Total
2019	$9,022,807,779
2020	$9,375,354,548
2021	$9,894,497,264
2022	$10,483,951,651
2023	$11,175,585,176

Source: Kentucky Department of Education – SEEK Calculation

Historical Tax Rates

Fiscal Year	Real Estate	Tangible	Motor Vehicle
2020	67.200	67.200	63.500
2021	67.100	67.300	63.500
2022	67.100	37.100	63.500
2023	66.600	67.200	63.500
2024	65.900	65.300	63.500

Source: Kentucky Department of Education

Top Ten Taxpayers of the District

The following tables lists the ten largest real property taxpayers of the County as reported by the Kenton County Property Valuation Administrator for the calendar year 2023.

Taxpayer	Real Property Assessment ($)
Fidelity Properties Inc.	128,283,300
ARCP OFC	82,625,000
CPX Rivercenter Dev Corp	95,846,800
LEX 300 Walton LLC	49,000,000
Amberly Legacy LLC et al	43,000,000
Housing Authority of Covington	41,454,700
United Dairy	37,974,700
Crestview Hills Town Center	35,788,500
Logistic Park 75 I LLC	31,877,000
Thoroughbred Health LLC	29,490,300

Taxpayer	Tangible Property Assessment ($)
Mazak Corporation	70,294,411
Biolife Plasma Services LP	49,096,426
Fisher Auto Parts Inc 725	30,386,598
Kroger Limited Partnership	24,288,427
Wild Flavors Inc.	21,566,203
ABB CON CISE Optical Grp	20,281,116
Gravit Diagnostics LLC	19,205,389
CCBCC Operations LLC	18,003,374
BP Products North America	16,006,049
Progress Rail Services Corp	15,044,706

OPERATING AND FINANCIAL DATA

Outstanding Bonds

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2013B	$12,005,000	$7,410,000	$8,101,041	$3,903,959	2.500% - 3.125%	2033
2013-REF	$30,545,000	$4,960,000	$30,545,000	$0	3.000%	2025
2014-Energy	$4,170,000	$2,380,000	$4,170,000	$0	3.000% - 4.000%	2034
2015A-REF	$8,895,000	$5,055,000	$8,895,000	$0	3.000%	2029
2015B-REF	$14,445,000	$6,215,000	$12,227,370	$2,217,630	3.000%	2026
2015	$17,320,000	$11,250,000	$16,352,476	$967,524	3.000% - 3.625%	2035
2016-REF	$25,190,000	$19,975,000	$24,032,839	$1,157,161	3.000% - 4.000%	2029
2016B	$19,400,000	$14,590,000	$5,250,000	$14,150,000	3.000% - 3.250%	2036
2017-Energy	$5,125,000	$4,105,000	$5,125,000	$0	3.000% - 3.375%	2037
2017R-Energy	$2,280,000	$990,000	$2,280,000	$0	3.000%	2028
2018	$13,945,000	$13,790,000	$588,473	$13,356,527	2.500% - 4.000%	2038
2020	$12,850,000	$12,525,000	$10,950,194	$1,899,806	2.250% - 3.000%	2040
2020-REF	$7,670,000	$6,675,000	$7,670,000	$0	1.500% - 1.750%	2031
2021	$29,125,000	$28,495,000	$29,125,000	$0	2.000% - 3.000%	2041
2022	$48,385,000	$48,265,000	$46,812,890	$1,572,110	2.000% - 5.000%	2042
2022B	$2,490,000	$2,480,000	$2,490,000	$0	3.000% - 4.000%	2042
2023	$34,950,000	$34,945,000	$34,950,000	$0	4.000%	2043
TOTALS:	$288,790,000	$224,105,000	$249,565,283	$39,224,717		

Overlapping Indebtedness

Issuer	Original Amount Issued	Amount Redeemed	Amount Oustanding
County of Kenton			
General Obligation	$31,320,000	$4,545,000	$26,775,000
Court Facility	$31,925,000	$18,395,000	$13,530,000
Housing Facilities Revenue	$26,375,000	$0	$26,375,000
Building Revenue	$3,000,000	$2,625,000	$375,000
Refinancing Refunding Revenue	$69,130,000	$23,540,000	$45,590,000
City of Covington			
General Obligation	$72,445,000	$26,775,458	$45,669,542
Building Revenue	$3,225,000	$2,980,000	$245,000
Multi-Family Housing	$14,950,000	$0	$14,950,000
Refunding Revenue	$17,500,000	$0	$17,500,000
City of Crestview Hills			
General Obligation	$2,565,000	$2,200,000	$365,000
Building Revenue	$7,180,000	$5,465,000	$1,715,000
City of Edgewood			
General Obligation	$7,965,000	$5,268,695	$2,696,305
City of Ft. Mitchell			
KLC Funding Trust Revenue	$50,000,000	$0	$50,000,000
City of Ft. Wright			
General Obligation	$733,361	$384,050	$349,311
City of Independence			
General Obligation	$10,225,000	$8,595,000	$1,630,000
City of Lakeside Park			
Multiple Purposes Revenue	$800,000	$666,666	$133,334
City of Latonia Lakes			
Sewer Revenue	$198,000	$97,000	$101,000
City of Ludlow			
General Obligation	$2,165,000	$732,832	$1,432,168
City of Park Hills			
General Obligation	$2,500,000	$1,166,667	$1,333,333
City of Villa Hills			
General Obligation	$750,000	$470,097	$279,903
Special Districts			
Kenton County Extension District	$1,430,000	$190,000	$1,240,000
Kenton County Public Library	$18,225,000	$7,990,000	$10,235,000
Planning & Developing Services	$2,225,000	$1,235,000	$990,000
Sanitation District No. 1	$452,540,000	$75,230,000	$377,310,000
Kenton County Airport Board	$412,847,881	$66,353,283	$346,494,598
Totals:	**$1,242,219,242**	**$254,904,748**	**$987,314,494**

[1] *FY2023 Audited Financial Statement*

[2] *Department for Local Government 2023 Debt Report*

Attendance

School Year	Average Daily Attendance
2019-20	12,894
2020-21	12,772
2021-22	13,275
2022-23	13,275
2023-24	12,949

Source: Kentucky Department of Education

SEEK Funds

	------------------------------ Fiscal Year ------------------------------				
Description	**2020**	**2021**	**2022**	**2023**	**2024**
SEEK Funds	$34,939,844	$30,705,528	$33,148,971	$32,638,988	$30,179,915
FSPK Funds	$689,005	$902,141	$873,778	$1,155,690	$418,030
Capital Outlay Allotments	$1,289,372	$1,277,159	$1,327,457	$1,327,457	$1,294,950

Source: Kentucky Department of Education

DEMOGRAPHIC DATA

Population

Description	2020	2021	2022	2023
Kenton County	169,271	169,698	170,280	171,321
Northern Kentucky	469,328	471,157	473,380	477,040

Source: Kentucky State Data Center, University of Louisville

Population Projections

Description	2025	2030	2035	2040
Kenton County	172,894	175,691	177,689	178,906
Northern Kentucky	482,056	493,046	502,365	509,662

Source: Kentucky State Data Center, University of Louisville

Unemployment Rate (%)

Year	Kenton County	Northern Kentucky LWA	Kentucky	United States
2019	3.4	3.4	4.1	3.7
2020	5.6	5.6	6.5	8.1
2021	4.0	3.8	4.5	5.3
2022	3.4	3.4	4.0	3.6
2023	3.7	3.7	4.2	3.6

Source: Kentucky Center for Statistics

APPENDIX C

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Kenton County School District

Financial Statements
With Supplementary Information
Year Ended June 30, 2023
With Independent Auditors’ Report

KENTON COUNTY SCHOOL DISTRICT

June 30, 2023

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KENTON COUNTY SCHOOL DISTRICT

June 30, 2023

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BARNES DENNIG
Accounting • Tax • Business Insight

KENTUCKY
CRESTVIEW HILLS OFFICE
2617 Legends Way
Crestview Hills, KY 41017
Main: 859.344.6400
Fax: 859.578.7522

Independent Auditors' Report

To the Members of the Board of Education
Kenton County School District
Independence, Kentucky

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Kenton 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 Kenton 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Independent Auditors' Report
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Kenton 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 Kenton 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 4-12, 57-59, and 65-74 as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kenton County School District's basic financial statements. The combining and individual nonmajor fund financial statements and statement of receipts and disbursements of bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Independent Auditors' Report
(Continued)

Other Matters (Continued)

Other Information (Continued)

The combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the statement of receipts and disbursements of bonds 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 Kenton 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 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 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 Kenton County School District's internal control over financial reporting and compliance.

Change in Accounting Principle

As discussed in Note 21 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective as of July 1, 2022. Our opinion is not modified with respect to this matter.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 15, 2023

KENTON COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A – Unaudited)
Year Ended June 30, 2023

As management of the Kenton County School District (District), we offer readers of the District's financial statement 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

Kenton County Schools served 14,403 enrolled students during the 2023 fiscal year through 19 schools including 3 high schools, a technology academy, 4 middle schools and 11 elementary schools. Preschool students expanded their instructional experience from a half day to a full day in 2022 and have continued to grow in 2023.

District facility activity during 2023 included continued progress on addition/renovation to Scott High School, safety and security enhancements and building renovation projects for five schools to address student population needs and eliminate temporary classroom facilities. In addition, architectural work began on the new Transportation and Operations Support Campus.

School Revenue Bonds were issued in July, 2022 for $2.49 million to finance the purchase of the Crescent Springs building and bus lot.

The Board approved a Lease & Security Agreement with the Kentucky Interlocal School Transportation Association ("KISTA") resulting in the issuance of $1.494 million in bonds to finance the purchase of nine new school buses.

Net Position increased $21.3 million reflecting an increase in tax revenue, state SEEK funding and earnings on investments.

Total Revenues were $209 million for the year. General revenues accounted for $175 million, 84 percent of the total, while program specific revenues, in the form of charges for services and sales, grants, and contributions, accounted for $33.8 million or 16 percent of total revenues. The District incurred $188 million in total expenses.

Governmental Fund Revenues were $201 million with $156 million accounted for in the General Fund. Local tax revenues increased to $82.5 million while state SEEK revenues increased by $1.5 million. Federal grant program revenues decreased slightly as some of the Coronavirus Response & Relief grants begin to wind down.

Governmental Fund Expenditures totaled $236.4 million during 2023 with General Fund expenses comprising $149 million of that total. All District schools delivered instruction in-person for the entire school year.

The General Fund ended the year with a reserve balance of $35.3 million which represents 25% of the non-construction budget for the year. $4.5 million of the Total Fund Balance is either restricted or committed to capital/construction projects or operating obligations. The Unassigned Fund Balance at the end of the year is $30.8 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

***District-wide financial statements*.** The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. This financial perspective is provided via the Statement of Net position and the Statement of Activities.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Net Position is one indication of financial health and position to support future operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors, such as changes in the District's property tax base and the condition of school facilities, also contribute to evaluating the District's overall financial position.

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

The District-wide financial statements are divided into two categories, governmental activities and business-type activities. Governmental activities include functions of the District that are principally supported by property taxes and intergovernmental revenues and include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt are also supported by taxes and intergovernmental revenues. Business-type activities are those that charge a fee to assist in covering the cost of the service. Food Service is the only business–type activity reported in these financial statements.

The district-wide financial statements can be found on pages 13 and 14 of this report.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

The basic governmental fund financial statements can be found on pages 15 through 21 of this report.

***Notes to the financial statements*.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 54 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position for the periods ending June 30, 2023 and 2022

The following is a summary of net position for the fiscal years ended June 30, 2023 and 2022.

	2023	2022
Current assets	$ 67,400,708	$ 99,246,466
Noncurrent assets	295,524,354	258,399,052
Total assets	362,925,062	357,645,518
Deferred outflows	41,467,650	26,322,498
Current liabilities	30,414,650	31,755,534
Noncurrent liabilities	299,381,452	295,951,909
Total liabilities	329,796,102	327,707,443
Deferred inflows	30,569,077	33,524,078
Net position		
Investment in capital assets (net of debt)	80,338,313	31,564,615
Restricted	12,297,092	49,153,204
Unrestricted	(48,607,872)	(57,981,324)
Total net position	$ 44,027,533	$ 22,736,495

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Due to state pension plan and OPEB liabilities reflected on the District's balance sheet, Net Position may not be the best indicator of a government's financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflow of resources by $45.1 million as of June 30, 2023. Unrestricted Net Position is ($48.8) million which includes the recognition of the District's proportionate share of the pension and other post-employment benefits (OPEB) liabilities at year end. Without the effect of the pension and OPEB net liabilities, unrestricted net position would be approximately $34 million. See notes 8 and 9 in the Notes to the Financial Statements.

The pension and OPEB liabilities are related to the state pension funds which are legislated and controlled by the state of KY and at this time are not fully funded. Fully funding the state's pension and benefit plans is a recurring agenda item for the KY legislature. Future remedies may include changes to benefit calculations, employee and/or employer contribution rates and investment strategies. The District has always paid its entire employer contribution based on the rates enacted by each pension body.

Capital Assets

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

The renovation process continues at Scott High School in the final phase of the multi-year project that has impacted all areas of the facility. The project includes renovation of the auditorium, gymnasium, natatorium and all other remaining interior spaces. This phase of the project was funded by a $48.4 million revenue bond sale in February, 2022 and is scheduled for completion in 2024.

Several elementary school building addition projects that began in 2022 continued with significant progress in 2023. These projects include the addition of classrooms, gymnasium, media center, kitchen/cafeteria additions, and/or overall interior renovations at five elementary schools. Mobile classroom units were able to be removed from these campuses. Revenue bond sales totaling $29.1 million were completed in November, 2021 to fund these renovation projects. These projects are scheduled for completion in 2023.

Work continued in 2023 on the security and safety upgrades at all school locations. The upgrades to all existing secure entrance designs will reflect the latest technology in school security.

The Board approved construction of a support operations facility in October, 2022. The facility will include a bus maintenance garage, building maintenance storage, technology department work area and support department office space. Revenue Bonds totaling $34.95 million were sold in July, 2023 to fund this new building.

The District acquired a 25,000 square foot building plus parking lot that was previously leased and will continue to be used as a school bus lot in the northern end of the county. Revenue bonds totaling $2.5 million sold in July, 2022 for this acquisition.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Capital Assets (Continued)

The Board approved the purchase of land for a new central office in November, 2022. The District has leased the current central office space from the Sanitation District for administrative operations for decades. Building design work has begun and includes administrative offices and meeting rooms, a public meeting/training room, instructional space for virtual learning classes and records storage.

Nine new buses were purchased through the Kentucky Intermodal School Transportation System bond program. The order included eight 84 passenger buses to improve efficiency in routing. Two new special needs buses were also ordered and funded through grant funds. Approved by the Board in November 2022, eight new buses were delivered in August, 2023.

Debt

At June 30, 2023, the District had $205.7 million in outstanding bonds. The bonds are being paid from the Debt Service Fund. A portion of this debt, $18.7 million is serviced by the Kentucky School Facility Construction Commission. See additional detail in Note 17 to Financial Statements.

Participation in the KISTA bus lease/purchase program was approved by the Board and bonds were issued in April 2023 for the purchase of nine new buses for the District fleet. The total amount of bonds issued was $1,493,737 and total debt outstanding as of June 30, 2023 is $7,532,971 The debt will be serviced by the General Fund.

In accordance with Government Accounting Board Statement 96*, Subscription-Based Information Technology Arrangements*, subscription-based information technology arrangements were reviewed to determine the proper classification under the statement requirements. Subscription assets and liabilities are reflected in the district-wide statements presented. See notes 20 and 21 in the Notes to the Financial Statements.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2023 and 2022.

	2023	2022
Revenues		
Program revenues		
Charges for services	$ 2,480,611	$ 1,129,795
Operating grants	23,907,150	27,212,208
Capital grants	7,458,431	5,776,075
Total grant revenues	33,846,192	34,118,078
General Revenues		
Taxes	82,478,095	76,033,386
Grants and entitlements	87,266,668	75,984,692
Earnings on investments	2,711,652	181,356
Miscellaneous	2,725,221	2,069,918
Total general revenues	175,181,636	154,269,352
Total revenues	209,027,828	188,387,430
Expenses		
Instructional	98,323,036	93,694,229
Student support services	11,731,506	10,318,502
Staff support	9,885,743	5,942,569
District administration	2,788,237	2,638,110
School administration	11,927,527	10,844,670
Business support	4,234,266	3,757,486
Plant operations	23,732,938	20,071,504
Student transportation	9,370,263	9,935,213
Food service operation	7,067,927	7,095,825
Other	2,346,309	1,628,303
Interest on long-term debt	6,329,038	5,593,517
Total expenses	187,736,790	171,519,928
Change in net position	$ 21,291,038	$ 16,867,502

Governmental Activity

The COVID-19 national health emergency did not have a significant effect on school operations in 2023. While student and staff attendance was occasionally affected due to COVID-19 illness, district activities returned to normal schedules and activities in 2023. District schools delivered instruction in-person for the entire school year and student attendance returned to more normal levels.

Funding from the American Rescue Plan covered increased costs related to increased staffing and instruction to address learning loss experienced in the previous two years.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activity

Governmental Revenues experienced increases in all three types of property taxes as well as interest revenue in 2023. Property tax collections rose due to property value increases in the county. Real estate, franchise and motor vehicle collections reflected an increase in tax base. Grant revenues reflected the additional federal grant reimbursements from the federal Coronavirus Relief funds.

Total expenses reflected an increase of $16.2 million and reflects the increased instruction spending to support students and recover prior year learning loss. $6.6 million in staff increases and work hours as well as instructional program purchases were incurred with the Coronavirus Relief grant funds. Certified and classified salary schedules increased 5.0% to retain and attract staff. With the increase in revenue and bond proceeds, the 2023 fiscal year ended by adding $20.4 million to net position from current year activities.

Business-Type Activity

The only business-type activity of the District is the food service operation. This program experienced revenues of $8.2 million and expenditures of $7.1 million during fiscal year 2023. The USDA authorized meal reimbursement under the summer feeding program for all meals ended at June 30, 2022 and federal school lunch funding resumed to previous program funding models reducing USDA program revenue by $4.5 million in 2023. Student charge revenue increased by $1.2 million as student attendance in schools returned to more normal levels. Expenditures also increased as some food items were unavailable and were replaced with higher cost items. Certainly food costs continued to be affected by inflation during 2023 and is expected in the 2024 school year. The 2023 fiscal year ended adding $861 thousand to net position.

The Food Service Program continues to offer students excellent nutrition through a variety of breakfast and lunch meal choices. Meals are prepared and served each school day and several weeks during summer instructional programs. The food service operation is self-operating and funded without assistance from the General Fund. The business activity receives no support from tax revenues.

In accordance with Implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Reporting for Pensions*, and Government Accounting Standards Board Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other than OPEBs*, food service financial results include provisions for deferred outflows and inflows related to both the state net pension and postemployment benefits other than OPEBs liabilities.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. Fund financial statements are included on pages 15 – 21. The District accounts include eight different funds with the General Fund reflecting the most activity. Total governmental fund revenues, including on-behalf payments, were $201 million with expenditures of $236 million.

Government Fund tax revenues increased by $6.4 million in 2023 due to increased property and motor vehicle valuations in Kenton County. Both the General and Building Fund reflected this increase. District and Student Activity Funds also experienced increased revenue activity as extra and co-curricular events returned to the weekly school agendas. Federal grant reimbursements remained approximately the same in 2023 accounting for 6% of government collected revenue. State SEEK and grant funding increased slightly comprising 34% of government fund collected revenue. The District's property tax base remains strong and increased by $591 million (6.2%) providing a stable source of operating revenue. The distribution of government fund revenues is approximately 42% from state/federal sources and 58% generated from local sources.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The District's Funds (Continued)

Government Fund expenditures totaled $236.4 million, an increase of $33.6 million over 2022. General Fund expenditures increased $18 million with salary and benefit costs and rising utility and diesel fuel prices due to inflation during 2023. Special Revenue expenditures rose $0.9 million to fund instructional programs and sessions to address student learning loss and social/emotional needs. Construction expenditures were $13 million higher due to the multiple capital improvement projects that progressed throughout the year. The 2023 salary schedules included a 5% increase for each position as well as the experience step increase of approximately 1.3%. Salary and benefits cost represent approximately 85% of the General Fund expenditures each year. The District is committed to hiring and retaining the most qualified personnel. The current compensation schedule is competitive with other Northern Kentucky Districts as well as Ohio and Indiana. This has helped attract highly qualified applicants and retain staff who have been trained by the District.

The General Fund ended the year with a fund balance at June 30, 2023 of $28.5 million. This fund receives approximately 97% of annual cash revenue from local taxes and state SEEK revenue which can vary with the local economic environment and state budget issues. The fund balance will be critical in maintaining instructional programs and facilities as state funding priorities could shift given the current status of the state pension funding deficiencies.

The Special Revenue Fund expended and received $6.6 million from federal Coronavirus Relief Acts. The funds paid for additional instruction programs after school and during the summer months as well as PPE, health supplies and student technology devices. The federal funds will continue to be available through 2024.

BUDGETARY IMPLICATIONS

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The most significant budgeted fund is the General Fund. By law, this fund budget must include a minimum 2% contingency. The Board adopted a 2023 working budget with $19.3 million in contingency (14.5%). The 2023 General Fund budget is included in the Supplementary Information section of this report. It should be noted that state on-behalf revenues and expenditures of $43.4 million are not budgeted but are included in the actual results column of the report.

For the General Fund, total budgeted revenues and other financing sources were $108 million and actual revenues, excluding on-behalf payments were $116.1 million. General Fund budgeted expenditures, excluding contingency, were $113.6 million while actual expenditures, excluding on-behalf totaled $109.2 million. The favorable variances in actual revenue and expenditures resulted in a $30.8 million unrestricted fund balance at the end of the year versus a budgeted ending fund balance of $19.3 million.

On-Behalf Payments

The District recorded on-behalf payments in the General Fund in 2023 totaling $43.4 million and $740 thousand in the District Academy Fund as required by KDE. On-behalf payments represent amounts paid on behalf of the Kenton County School District by the Commonwealth of Kentucky for employee health insurance, Teachers' Retirement, post-employment benefits and technology services. These revenues and expenditures are not budgeted but are required to be reflected in the annual financial fund reports as a revenue and expenditure. As a result, it should be noted that large variances between budgeted and actual amounts for the General Fund are the result of this inconsistency.

CURRENT ISSUES

The 2023 school year opened under normal schedules and conditions for the first time in two years. However, the effects of the health emergency are evident in student achievement, social and emotional areas. Expanded learning opportunities and programs began in 2022 to address student learning loss and will continue over the next several years. Funding from the American Rescue Plan will support increased costs related to increased staffing and instruction.

The economic effect of the pandemic continues to affect all KY school districts. The local economy is active which creates a challenging environment to attract workers. The District experienced staffing shortages in several positions such as substitute teacher, custodian, food service and bus drivers. The state is also experiencing a shortage of classroom teachers since fewer students are entering college teacher preparation programs. Compensation plans, certification alternatives and aggressive recruiting of certified teachers are helping fill vacancies and maintain effective instruction and district operations. Measures to address the state wide teacher and other personnel shortages experienced statewide are anticipated in the 2024 General Assembly session. The district is also experiencing rising utility, food and fuel costs due to inflation, the same as any other business in the nation. Fortunately, the property tax base continues to provide adequate tax revenue to offset the expected cost increases.

The CBAS management tool implemented in 2022 continues to grow and identify areas of strength and need in the district academic and support operations. Quarterly metrics provide progress on each of Pillar areas to the stakeholders and committees. Collaborative analysis completed each quarter identifies the current status and adjustments that are needed to achieve each pillar's goals and objectives. Every major area of the district is included in this endeavor.

The KY General Assembly raised the SEEK revenue to $4,200 per student for 2023 and maintained state grant allocations. The District has been providing full day instruction for Kindergarten students since 2019 and added full day Preschool instruction in 2022. The state currently funds Preschool half-day and districts are interested in a full-day funding proposal at the Spring, 2024 General Assembly session. The SEEK process continues to redistribute revenue via the 30 cent adjustment process so districts in areas of rising property values do not retain the benefit of all local tax revenue increases. Additional state funding for student transportation is also needed to compete with local labor demands and rising fuel costs.

State operating grants provide funding for specialized instructional and safety programs. These include Extended School Services, Preschool, Safe Schools, Read To Achieve, Family Resource Centers, and Ky Education Technology programs. The state revenue projections indicate that these programs will continue to be funded. Federal Title I and IDEA remain steady resources to supplement instruction for special student populations and schools.

The financial position of the state's pension plans continues to affect the District's financial obligations. Both the Teachers' Retirement and County Employees Retirement Systems are underfunded at this time. The District has always paid its required contribution as determined by the plans. In accordance with the requirements of Governmental Accounting Standards Board Statements 68 and 75, the District has recorded its proportionate share of certain financial aspects of the pension plans in which its employees participate.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Questions about this report or additional financial information needs should be directed to Dr. Henry Webb, Superintendent, or Ms. Susan Bentle, Treasurer, at 859-344-8888, or by mail at 1055 Eaton Drive, Fort Wright, Kentucky 41017.

KENTON COUNTY SCHOOL DISTRICT

Statement of Net Position – District Wide
As of June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	$ 32,232,221	$ 4,710,837	$ 36,943,058
Investments	24,989,750	-	24,989,750
Accounts receivable	5,053,645	116,293	5,169,938
Inventories for consumption	157,539	140,423	297,962
Total current	62,433,155	4,967,553	67,400,708
Noncurrent:			
Subscription assets	1,385,984	-	1,385,984
Less: accumulated amortization	(438,296)	-	(438,296)
Construction in progress	67,707,409	-	67,707,409
Nondepreciated capital assets:			
Land	10,482,466	-	10,482,466
Depreciated capital assets:			
Land improvements	7,129,836	-	7,129,836
Buildings and improvements	335,663,849	-	335,663,849
Furniture and equipment	33,459,858	2,841,758	36,301,616
Less: accumulated depreciation	(160,372,150)	(2,336,360)	(162,708,510)
Total noncurrent	295,018,956	505,398	295,524,354
Total assets	357,452,111	5,472,951	362,925,062
Deferred outflows	39,544,080	1,923,570	41,467,650
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	15,750,000	-	15,750,000
Accounts payable	9,968,850	6,497	9,975,347
Accrued interest	1,691,249	-	1,691,249
Accrued sick leave	130,455	-	130,455
Accrued payroll and related expenses	888,432	4,216	892,648
Current portion of KISTA liabilities	1,409,665	-	1,409,665
Unearned revenues	360,252	205,034	565,286
Total current	30,198,903	215,747	30,414,650
Noncurrent:			
SBITA liabilities	648,869	-	648,869
Accrued sick leave	1,174,091	68,412	1,242,503
KISTA liabilities	6,123,306	-	6,123,306
MIF net OPEB liability	46,946,648	1,461,454	48,408,102
CERS net pension liability	44,663,312	5,111,916	49,775,228
Bond obligations	193,183,444	-	193,183,444
Total noncurrent	292,739,670	6,641,782	299,381,452
Total liabilities	322,938,573	6,857,529	329,796,102
Deferred inflows	28,935,484	1,633,593	30,569,077
Net Position			
Invested in capital assets, net of related debt	79,832,915	505,398	80,338,313
Restricted	13,897,091	(1,599,999)	12,297,092
Unrestricted	(48,607,872)	-	(48,607,872)
Total net position	$ 45,122,134	$ (1,094,601)	$ 44,027,533

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Statement of Activities – District Wide
For Year Ended June 30, 2023

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
Instructional	$ 98,323,036	$ 195,395	$ 9,452,288	$ -	$ (88,675,353)	$ -	$ (88,675,353)
Student support services	11,731,506	-	559,402	-	(11,172,104)	-	(11,172,104)
Staff support services	9,885,743	-	4,168,113	-	(5,717,630)	-	(5,717,630)
District administration	2,788,237	-	23,740	-	(2,764,497)	-	(2,764,497)
School administration	11,927,527	-	-	-	(11,927,527)	-	(11,927,527)
Business support services	4,234,266	-	-	-	(4,234,266)	-	(4,234,266)
Plant operation and maintenance	23,732,938	174,983	703,185	-	(22,854,770)	-	(22,854,770)
Student transportation	9,370,263	685,809	48,396	-	(8,636,058)	-	(8,636,058)
Food service operations	125,933	-	125,933	-	-	-	-
Community service operations	1,360,035	-	1,359,269	-	(766)	-	(766)
Facility acquisition and construction	28,147	-	-	7,458,431	7,430,284	-	7,430,284
Other	832,194	-	722,645	-	(109,549)	-	(109,549)
Interest on long-term debt	6,329,038	-	-	-	(6,329,038)	-	(6,329,038)
Total governmental activities	180,668,863	1,056,187	17,162,971	7,458,431	(154,991,274)	-	(154,991,274)
Business-type activities							
Food service	7,067,927	1,424,424	6,744,179	-	-	1,100,676	1,100,676
Total business-type activities	7,067,927	1,424,424	6,744,179	-	-	1,100,676	1,100,676
Total school district	$ 187,736,790	$ 2,480,611	$ 23,907,150	$ 7,458,431	(154,991,274)	1,100,676	(153,890,598)
General revenues:							
Taxes					82,478,095	-	82,478,095
State and federal sources					87,266,668	-	87,266,668
Investment earnings					2,601,047	110,605	2,711,652
Miscellaneous					2,590,761	67,393	2,658,154
Special items:							
Gain (loss) on sale of assets					67,242	(175)	67,067
Fund transfer					416,917	(416,917)	-
Total general and special revenues					175,420,730	(239,094)	175,181,636
Change in net position					20,429,456	861,582	21,291,038
Net position - beginning					24,692,678	(1,956,183)	22,736,495
Net position - ending					$ 45,122,134	$ (1,094,601)	$ 44,027,533

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Balance Sheet – Governmental Funds
As of June 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Current:					
Cash and cash equivalents	$ 9,833,572	$ -	$ 18,749,087	$ 3,649,562	$ 32,232,221
Investments	24,989,750	-	-	-	24,989,750
Accounts receivable	2,210,148	2,794,036	-	49,461	5,053,645
Inventories for consumption	157,539	-	-	-	157,539
Total assets	$ 37,191,009	$ 2,794,036	$ 18,749,087	$ 3,699,023	$ 62,433,155
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	$ 912,640	$ 2,462,460	$ 5,724,150	$ 869,600	$ 9,968,850
Unearned revenue	28,676	331,576	-	-	360,252
Accrued payroll and related expenses	888,432	-	-	-	888,432
Total liabilities	1,829,748	2,794,036	5,724,150	869,600	11,217,534
Fund Balances					
Restricted:					
Capital projects	-	-	13,024,937	872,154	13,897,091
Other	21,261	-	-	1,336,324	1,357,585
Committed:					
Accrued sick leave	652,273	-	-	-	652,273
Site based carryforward	682,861	-	-	-	682,861
Other	-	-	-	620,945	620,945
Assigned:					
Purchase obligations	498,268	-	-	-	498,268
Other	2,500,000	-	-	-	2,500,000
Nonspendable:					
Inventories	157,539	-	-	-	157,539
Unassigned	30,849,059	-	-	-	30,849,059
Total fund balances	35,361,261	-	13,024,937	2,829,423	51,215,621
Total liabilities and fund balances	$ 37,191,009	$ 2,794,036	$ 18,749,087	$ 3,699,023	$ 62,433,155

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2023

Total governmental fund balance		$ 51,215,621
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Subscription assets	1,385,984	
Accumulated amortization	(438,296)	
Construction in process	67,707,409	
Cost of capital assets	386,736,009	
Accumulated depreciation	(160,372,150)	
		295,018,956
Deferred outflows related to CERS	6,125,090	
Deferred outflows for CERS contributions made after the measurement date	4,217,192	
Deferred outflows for MIF contributions made after the measurement date	2,719,716	
Deferred outflows related to MIF	24,552,839	
Deferred outflows for bond refinancing	1,929,243	
		39,544,080
Deferred inflows related to CERS	(7,014,388)	
Deferred inflows related to MIF	(21,921,096)	
		(28,935,484)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(205,690,000)
Bond premium		(3,243,444)
Accrued interest on bonds		(1,691,249)
Subscription liabilities		(648,869)
KISTA liabilities		(7,532,971)
Net pension liability		(44,663,312)
Net OPEB liability		(46,946,648)
Accrued sick leave		(1,304,546)
Total net position - governmental		$ 45,122,134

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 65,714,716	$ -	$ -	$ 16,763,379	$ 82,478,095
Earnings on investments	1,776,006	-	790,071	34,970	2,601,047
State sources	86,041,540	4,593,684	-	8,199,268	98,834,492
Federal sources	484,291	12,395,578	-	-	12,879,869
Other sources	1,674,591	173,709	-	2,405,093	4,253,393
Total revenues	155,691,144	17,162,971	790,071	27,402,710	201,046,896
Expenditures					
Instructional	86,728,742	9,333,088	-	4,673,267	100,735,097
Student support services	11,166,849	559,402	-	606	11,726,857
Staff support services	5,675,021	4,168,113	-	30,220	9,873,354
District administration	2,730,256	23,740	-	-	2,753,996
School administration	11,517,784	-	-	392,409	11,910,193
Business support services	4,198,017	-	-	-	4,198,017
Plant operation and maintenance	16,199,474	703,185	-	7,093	16,909,752
Student transportation	9,790,489	48,396	-	1,159	9,840,044
Food service operation	-	125,933	-	-	125,933
Community service operations	50	1,359,269	-	-	1,359,319
Facility acquisition and construction	-	-	43,092,226	-	43,092,226
Other	-	722,645	-	71,759	794,404
Debt service:					
Principal	1,273,358	-	-	15,345,000	16,618,358
Interest	180,139	-	-	6,206,026	6,386,165
Bond issuance costs	-	-	37,790	-	37,790
Total expenditures	149,460,179	17,043,771	43,130,016	26,727,539	236,361,505
Excess (deficit) of revenues over expenditures	6,230,965	119,200	(42,339,945)	675,171	(35,314,609)
Other financing sources (uses)					
Loan and bond proceeds	-	-	2,490,000	-	2,490,000
Bond discount	-	-	(48,520)	-	(48,520)
Issuance of KISTA liability	1,493,737	-	-	-	1,493,737
Proceeds from sale of assets	166,755	-	-	5,000	171,755
Operating transfers in	2,142,341	278,767	1,570,083	21,274,139	25,265,330
Operating transfers out	(3,134,754)	(397,967)	(300,324)	(21,015,368)	(24,848,413)
Total other financing sources (uses)	668,079	(119,200)	3,711,239	263,771	4,523,889
Net change in fund balance	6,899,044	-	(38,628,706)	938,942	(30,790,720)
Fund balance, July 1, 2022	28,462,217	-	51,653,643	1,890,481	82,006,341
Fund balance, June 30, 2023	$ 35,361,261	$ -	$ 13,024,937	$ 2,829,423	$ 51,215,621

The accompanying notes are an integral part of these financial statements

KENTON 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

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

Net changes-governmental funds		$ (30,790,720)
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.		
Recognition of subscription asset	1,385,984	
Amortization of subscription asset	(438,296)	
Recognition of subscription liability	(648,869)	
Depreciation expense	(11,791,395)	
Capital outlays	48,112,380	
Retirement of capital assets	(104,513)	
		36,515,291
Bond and finance lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Bond principal paid		15,345,000
Bond proceeds		(2,490,000)
Bond discount		48,520
Amortization of bond refinancing		(821,109)
Amortization of bond premium, net		388,373
KISTA liabilities principal paid		1,320,218
New KISTA liabilities		(1,493,737)
Deferred outflows related to pensions		4,039,830
Deferred outflows related to other post-retirement employee benefits		11,589,328
Deferred inflows related to pensions		1,748,114
Deferred inflows related to other post-retirement employee benefits		961,747
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.		
		(15,931,399)
Changes in net position of governmental activities		$ 20,429,456

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Statement of Net Position –
Proprietary Funds
As of June 30, 2023

	Food Service	Total
Assets		
Current		
Cash and cash equivalents	$ 4,710,837	$ 4,710,837
Accounts receivable	116,293	116,293
Inventories for consumption	140,423	140,423
Total current	4,967,553	4,967,553
Noncurrent		
Furniture and Fixtures	2,841,758	2,841,758
Less: accumulated depreciation	(2,336,360)	(2,336,360)
Total noncurrent	505,398	505,398
Total assets	5,472,951	5,472,951
Deferred outflows	1,923,570	1,923,570
Liabilities and Net Position		
Liabilities		
Current		
Accounts payable	6,497	6,497
Unearned revenue	205,034	205,034
Accrued payroll and related expenses	4,216	4,216
Total current	215,747	215,747
Noncurrent		
MIF net OPEB liability	1,461,454	1,461,454
CERS net pension liability	5,111,916	5,111,916
Accumulated sick leave	68,412	68,412
Total noncurrent	6,641,782	6,641,782
Total liabilities	6,857,529	6,857,529
Deferred inflows	1,633,593	1,633,593
Net Position		
Invested in assets, net of debt	505,398	505,398
Restricted	(1,599,999)	(1,599,999)
Total net position	$ (1,094,601)	$ (1,094,601)

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2023

	Food Service	Total
Operating revenues		
Lunchroom sales	$ 1,424,424	$ 1,424,424
Other operating revenues	67,393	67,393
Total operating revenues	1,491,817	1,491,817
Operating expenses		
Salaries and benefits	3,055,722	3,055,722
Contract services	278,548	278,548
Materials and supplies	3,637,837	3,637,837
Depreciation	81,428	81,428
Other operating expenses	14,392	14,392
Total operating expenses	7,067,927	7,067,927
Operating loss	(5,576,110)	(5,576,110)
Nonoperating revenues (expenses)		
Federal grants	5,455,770	5,455,770
State grants	519,075	519,075
Donated commodities and other donations	769,334	769,334
Loss on sale of assets	(175)	(175)
Transfers out	(416,917)	(416,917)
Interest income	110,605	110,605
Total nonoperating revenues	6,437,692	6,437,692
Change in net position	861,582	861,582
Total net position, July 1, 2022	(1,956,183)	(1,956,183)
Total net position, June 30, 2023	$ (1,094,601)	$ (1,094,601)

The accompanying notes are an integral part of these financial statements

KENTON COUNTY SCHOOL DISTRICT

Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	$ 1,424,424	$ 1,424,424
Cash payments for other activities	(143,398)	(143,398)
Cash payments to employees for services	(3,080,019)	(3,080,019)
Cash payments to suppliers for goods and services	(3,054,373)	(3,054,373)
Cash transfers	(416,917)	(416,917)
Net cash used in operating activities	(5,270,283)	(5,270,283)
Cash flows from capital financing activities		
Purchase of capital assets	(42,745)	(42,745)
Net cash used in capital financing activities	(42,745)	(42,745)
Cash flows from noncapital financing activities		
Non-operating revenues received	6,744,179	6,744,179
Net cash provided by noncapital financing activities	6,744,179	6,744,179
Cash flows from investing activities		
Interest on investments	110,605	110,605
Net cash flows provided by investing activities	110,605	110,605
Net increase in cash and cash equivalents	1,541,756	1,541,756
Cash and cash equivalents - beginning	3,169,081	3,169,081
Cash and cash equivalents - ending	$ 4,710,837	$ 4,710,837
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (5,576,110)	$ (5,576,110)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	81,428	81,428
Transfers	(416,917)	(416,917)
Changes in assets and liabilities:		
Decrease in accounts receivable	895,209	895,209
Decrease in accounts payable	(10,379)	(10,379)
Increase in unearned revenue	144,216	144,216
Decrease in accrued payroll and related expenses	(13,958)	(13,958)
Decrease in accumulated sick leave	(10,339)	(10,339)
Increase in deferred outflows	(337,103)	(337,103)
Decrease in deferred inflows	(245,140)	(245,140)
Decrease in MIF net OPEB liability	(36,402)	(36,402)
Increase in CERS net pension liability	263,638	263,638
Increase in inventories	(8,426)	(8,426)
Net cash used in operating activities	$ (5,270,283)	$ (5,270,283)
Schedule of non-cash transactions:		
Donated commodities received from federal government	$ 769,334	$ 769,334
On behalf payments	$ 451,572	$ 451,572

The accompanying notes are an integral part of these financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Kenton 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 Kenton County School District (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 and account groups relevant to the operation of the Kenton 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 Board itself such as 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:

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

Basis of Presentation

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and 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 total net position. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus.

The District has the following funds:

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

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

(B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts 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 on pages 75-76. This is a major fund of the District.

(C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (Continued)

(D) 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 Funds).

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

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

3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of $13,024,937 for ongoing projects. This is a major fund of the District.

(E) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

II. 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.

III. Proprietary Fund (Enterprise 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). The Food Service fund is a major fund of the District.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations).

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

Revenues – 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.

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

Unearned Revenue – 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 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.

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 into the General Fund and then transferred to the appropriate fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP of the United States of America. The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Cash and Cash Equivalents

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

Fair Value Measurements

Generally accepted accounting principles has established a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management’s best estimate of what market participants would use as fair value.

In February 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are capitalized at the lower of cost or market.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of 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 asset’s life are not.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's experience of making termination payments. The entire compensated absence liability is reported on the district-wide financial statements.

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for purpose; positive amounts are reported only in the General fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the District's OPEB 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 additions to deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefits 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.

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks' trust departments in the District's name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4 CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Land	$ 7,219,838	$ 3,262,628	$ -	$ 10,482,466
Land improvements	7,065,993	125,307	61,464	7,129,836
Buildings and improvements	324,221,681	11,502,004	59,836	335,663,849
Technology equipment	13,057,943	2,554,944	1,158,595	14,454,292
Vehicles	14,863,706	1,779,999	2,186,326	14,457,379
General equipment	4,308,307	247,588	7,708	4,548,187
Construction in progress	39,067,499	40,090,752	11,450,842	67,707,409
Totals at historical cost	409,804,967	59,563,222	14,924,771	454,443,418
Less: accumulated depreciation				
Land improvements	3,446,763	233,866	61,464	3,619,165
Buildings and improvements	131,022,332	8,350,207	33,159	139,339,380
Technology equipment	7,370,534	1,669,120	1,080,759	7,958,895
Vehicles	7,674,744	1,316,166	2,186,326	6,804,584
General equipment	2,435,798	222,036	7,708	2,650,126
Total accumulated depreciation	151,950,171	11,791,395	3,369,416	160,372,150
Governmental activities capital assets - net	$ 257,854,796	$ 47,771,827	$ 11,555,355	$ 294,071,268
Business - Type Activities				
General equipment	$ 2,703,169	$ 42,745	$ -	$ 2,745,914
Vehicles	85,757	-	25,834	59,923
Technology equipment	42,463	-	6,542	35,921
Totals at historical cost	2,831,389	42,745	32,376	2,841,758
Less: accumulated depreciation				
General equipment	2,208,310	66,671	-	2,274,981
Vehicles	73,476	6,407	25,834	54,049
Technology equipment	5,347	8,350	6,367	7,330
Total accumulated depreciation	2,287,133	81,428	32,201	2,336,360
Business - type activities capital assets - net	$ 544,256	$ (38,683)	$ 175	$ 505,398

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2023 was as follows:

	Governmental	Business-Type
Instruction	$ 3,552,413	$ -
Student support services	4,649	-
Staff support services	12,389	-
District administration	34,241	-
School administration	17,334	-
Business support services	36,249	-
Plant operation and maintenance	6,823,186	-
Food service	-	81,428
Student transportation	1,310,218	-
Community services	716	-
Total	$ 11,791,395	$ 81,428

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2023 this amount totaled approximately $1,372,958 for those employees with twenty-seven or more years of experience.

NOTE 6 COMMITMENTS UNDER KISTA LIABILITIES

The District is the borrower of equipment under KISTA liabilities that expire in various years between 2024 and 2033. The assets and liabilities under KISTA liabilities are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under KISTA liabilities is included in depreciation expense.

NOTE 6 COMMITMENTS UNDER KISTA LIABILITIES (CONTINUED)

Future minimum lease payments under KISTA liabilities as of June 30, 2023, for each of the next five years and in the aggregate are as follows:

Year Ending June 30,	
2023-2024	$ 1,614,749
2024-2025	1,424,773
2025-2026	1,253,245
2026-2027	1,084,194
2027-2028	890,120
Thereafter	2,127,556
Total minimum payments	8,394,637
Less amount representing interest	861,666
Present value of net minimum liability payments	$ 7,532,971

NOTE 7 LEASE OBLIGATIONS AND BONDED DEBT

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued.

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

Issue Date	Proceeds	Rates
February 28, 2012	$ 43,530,000	2.500% - 6.500%
March 7, 2013	30,545,000	2.000% - 3.000%
May 16, 2013	12,005,000	2.000% - 3.125%
March 5, 2014	4,170,000	1.000% - 4.000%
April 1, 2015	14,445,000	2.000% - 3.000%
April 10, 2015	8,895,000	2.000% - 3.000%
May 28, 2015	17,320,000	3.000% - 3.625%
March 9, 2016	25,190,000	2.000% - 4.000%
April 19, 2016	19,400,000	2.000% - 3.250%
June 5, 2017	5,125,000	2.000% - 3.550%
November 7, 2017	2,280,000	3.000%
April 18, 2018	13,945,000	2.000% - 4.000%
May 7, 2020	12,850,000	1.500% - 3.000%
September 30, 2020	7,670,000	1.500% - 1.750%
November 29, 2021	29,125,000	0.300% - 2.100%
February 2, 2022	48,385,000	0.550% - 2.540%
July 14, 2022	2,490,000	2.500% - 4.148%

NOTE 7 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Kenton County Fiscal Court and the Kenton County School District Finance Corporation to construct school facilities.

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 17 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2023 for debt service (principal and interest) are reported in Note 17.

NOTE 8 RETIREMENT PLANS

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

General information about the County Employees Retirement System Non-Hazardous

Plan description

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from http://kyret.ky.gov/.

NOTE 8 RETIREMENT PLANS (CONTINUED)

Benefits provided

CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are $5,000 in lump sum. One month's service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and $10,000 plus 75% of the decedent's monthly average rate of pay. If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent's monthly average. Any dependent child will receive 50% of the decedent's monthly final rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions

Required contributions by the employee are based on the following tier:

	Required contribution
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The contribution requirement for CERS for the year ended June 30, 2023, was $5,808,422, which consisted of $4,699,868 from the District and $1,108,554 from the employees. Total contributions for the year ended June 30, 2022 and 2021 were $5,131,621 and $4,581,700, respectively. The contributions have been contributed in full for fiscal years 2023, 2022 and 2021.

NOTE 8 RETIREMENT PLANS (CONTINUED)

General information about the Teachers' Retirement System of the State of Kentucky

Plan description

Teaching certified employees of the District and other employees whose positions require at least a college degree 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 Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky Revised Statues and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at https://trs.ky.gov/employers/information/gasb-65-67/.

Benefits provided

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

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

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. New employees hired after July 1, 2008 but before December 31, 2021 who retire with less than ten years will receive monthly benefits equal to 1.7% of their final average salary for each year of service. New employees hired between July1, 2008 and December 21, 2021 with between 20 to 26 years of service will receive monthly benefits equal to 2.3% of their final average salary for each year of service. Lastly, new employees hired between July 1, 2008 and December 31, 2021 with between 26-30 years of service. Effective January 1, 2022 the system has been amended to change the benefit structure for employees hired on or after that date.

NOTE 8 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

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

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2023, was $11,929,797, which consisted of $2,829,530 from the District and $9,100,267 from the employees. Total contributions for the year ended June 30, 2022 and 2021 were $11,215,587 and $10,694,083, respectively. The contributions have been contributed in full for fiscal years 2023, 2022 and 2021.

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

Medical Insurance Plan

Plan description

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

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

NOTE 8 RETIREMENT PLANS (CONTINUED)

Funding policy

In order to fund the post-retirement healthcare benefit, 7.50% of the gross annual payroll of members is contributed. Member contributions are 3.75% and 0.75% is paid from state appropriate. Employer contributions are 3.00%. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

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

District's proportionate share of the CERS net pension liability	$ 49,775,228
Commonwealth's proportionate share of the TRS net pension liability associated with the District	330,621,254
	$ 380,396,482

The net pension liability for each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the 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 0.688548% percent.

NOTE 8 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2023, the District recognized an increase in pension expense of \$2,136,456 related to CERS. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 53,216	$ 443,270
Net difference between projected and actual earnings on pension plan investments	6,772,918	5,496,861
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,877,085
District contributions subsequent to the measurement date	4,699,868	-
Total	$ 11,526,002	$ 7,817,216

\$4,699,868 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. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ (1,376,653)
2025	(610,152)
2026	(418,283)
2027	1,414,006
2028	-

Actuarial assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS	TRS
Inflation	2.30%	2.50%
Projected salary increases	3.3 - 10.3%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

NOTE 8 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each 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 6-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.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

NOTE 8 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

Asset Class	TRS Target Allocation	TRS Long-Term Expected Real Rate of Return	CERS Target Allocation	CERS Long-Term Expected Real Rate of Return
US equity	40.0%	4.23%	50.0%	4.45%
Developed international equity	16.5%	5.30%		
Emerging markets equity	5.5%	5.40%		
Core bonds			10.0%	0.28%
Private equity	7.0%	6.90%	10.0%	10.15%
High yield	2.0%	1.70%	10.0%	2.28%
Fixed income	15.0%	-0.10%		
Additional categories	5.0%	2.20%		
Real estate	7.0%	4.00%	7.0%	3.67%
Real return			13.0%	4.07%
Cash	2.0%	-0.30%	0.0%	-0.91%
Total	100%		100%	

Discount rate

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

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

Sensitivity of CERS and TRS proportionate share of net pension liability to changes in the discount rate

The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	$ 62,212,859	$ 49,775,228	$ 39,488,275
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

NOTE 8 RETIREMENT PLANS (CONTINUED)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of both CERS and TRS.

NOTE 9 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

Teaching-certified employees of the Kenton County School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provided 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 Statues and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at https://trs.ky.gov/financial-reports-information.

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

Medical Insurance Plan

Plan description

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

Benefits provided

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

NOTE 9 OPEB PLANS (CONTINUED)

Contributions

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

General information about the County Employees Retirement System Non-Hazardous OPEB Plan

Plan description

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS.

Benefits

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 8 for tier classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 8.

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

At June 30, 2023, the Kenton County School District reported a liability of $48,408,102 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 1.40 percent for TRS, which was an increase of 0.36 percent of its proportion measured as of June 30, 2021. At June 30, 2022, the District's proportion was 0.69 percent for CERS, which was a decrease of 0.03 percent from its proportion measured as of June 30, 2021.

NOTE 9 OPEB PLANS (CONTINUED)

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

District's proportionate share of the CERS net OPEB liability	$ 13,586,102
District's proportionate share of the TRS net OPEB liability	34,822,000
State's proportionate share of the net OPEB liability associated with the District	11,440,000
	$ 59,848,102

For the year ended June 30, 2023, the District recognized OPEB expense of $11,413,773 and revenue of $611,430 for support provided by the State. At June 30, 2023, 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
Difference between expected and actual experience	$ 1,367,554	$ 17,753,608
Net difference between projected and actual earnings on OPEB plan investments	4,380,872	1,978,446
Change of assumptions	9,220,737	1,770,547
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,249,569	1,249,260
District contributions subsequent to the measurement date	2,793,673	-
Total	$ 28,012,405	$ 22,751,861

NOTE 9 OPEB PLANS (CONTINUED)

Of the total amount reported as deferred outflows of resources related to OPEB, $2,793,673 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:		
2024	$	(648,369)
2025		(505,252)
2026		(1,011,772)
2027		2,113,264
2028		1,775,000
Thereafter		744,000

Actuarial assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.00 - 7.50%, including wage inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	7.00% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2032	Initial trend starting at 6.4% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Ages 65 and Older	5.125% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2025	Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Medicare Part B Premiums	6.97% for FY 2022 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	3.37%	3.69%
Discount Rate	7.10%	5.70%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	

For TRS, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

NOTE 9 OPEB PLANS (CONTINUED)

Actuarial assumptions (Continued)

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Other Additional Categories	17.0%	1.7%
Cash (LIBOR)	1.0%	-0.3%
Total	100.0%	

Discount rate

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

NOTE 9 OPEB PLANS (CONTINUED)

Discount rate (Continued)

For CERS, the discount rate used to measure the total OPEB liability was 5.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
TRS			
Districts' net OPEB liability	$ 43,690,000	$ 34,822,000	$ 27,481,000

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
CERS			
Districts' net OPEB liability	$ 18,162,451	$ 13,586,102	$ 9,802,985

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Current Trend Rate	1% Increase
TRS			
Districts' net OPEB liability	$ 26,105,000	$ 34,822,000	$ 45,664,000

	1% Decrease	Current Trend Rate	1% Increase
CERS			
Districts' net OPEB liability	$ 10,100,965	$ 13,586,102	$ 17,771,094

OPEB plan fiduciary net position

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

NOTE 9 OPEB PLANS (CONTINUED)

Life Insurance Plan

Plan description

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

Benefits provided

TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit funded by the Life Insurance Fund (LIF) is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions

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

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

At June 30, 2023, the Kenton County School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the District	569,000
	$ 569,000

For the year ended June 30, 2023, the District recognized OPEB expense of $43,428.

NOTE 9 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including wage inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.37%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation.

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

NOTE 9 OPEB PLANS (CONTINUED)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	4.4%
International Equity	23.0%	5.6%
Fixed Income	18.0%	-0.1%
Real Estate	6.0%	4.0%
Private Equity	5.0%	6.9%
Other Additional Categories	6.0%	2.1%
Cash (LIBOR)	2.0%	-0.3%
Total	100.0%	

Discount rate

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Districts' net OPEB liability	$ -	$ -	$ -

OPEB plan fiduciary net position

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

NOTE 10 CONTINGENCIES

Grant Fund Approval

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

NOTE 11 INSURANCE AND RELATED ACTIVITIES

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

NOTE 12 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days' notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District is self-insured for unemployment insurance benefits. The District reimburses the state for any claims paid. The District purchases workers' compensation insurance through the Kentucky School Boards Insurance Trust. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 DEFICIT OPERATING/FUND BALANCES

The District's Food Service Fund currently has a deficit fund balance of $1,094,601. However, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

District Activity Fund	$ 6,921
Construction Fund	38,628,706
Summit View Academy	18,504
Beechgrove Elementary School	3,985
Caywood Elementary	2,096
Hinsdale Elementary	7,571
Piner Elementary	894
River Ridge Elementary	775
Ryland Heights Elementary	2,082
Taylor Mill Elementary	956

NOTE 14 COBRA

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

NOTE 15 TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Academy Fund	Operating	$ 2,057,401
General Fund	Special Revenue Fund	Indirect Costs	278,767
General Fund	Debt Service Fund	Debt Service	798,586
Capital Outlay Fund	General Fund	Operating	100,000
Capital Outlay Fund	General Fund	Operating	1,227,457
Special Revenue Fund	General Fund	Indirect Costs	397,967
Student Activity Fund	District Activity Fund	District Activity	329,616
Building Fund	Debt Service Fund	Debt Service	18,088,536
Building Fund	Construction Fund	Construction	1,269,759
Construction Fund	Construction Fund	Construction	300,324
Food Service Fund	General Fund	Indirect Costs	416,917

NOTE 16 ON-BEHALF PAYMENTS

For the year ended June 30, 2023, total payments of $47,295,652 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	$ 43,439,339
Debt Service	2,663,904
Food Service	451,572
Academy Fund	740,837
Total On-Behalf	$ 47,295,652

NOTE 17 SCHEDULE OF LONG-TERM OBLIGATIONS

2012 - Ref, 2013, 2013 - Ref, 2014, 2015 A - Ref, 2015 B - Ref, 2015 C, 2016 - Ref, 2016 B, 2017, 2017 - Ref, 2018, 2020, 2020 - Ref, 2021, 2022, and 2022 B

FISCAL YEAR	Kenton COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2023-2024	$ 13,641,873	$ 5,306,602	$ 18,948,475	$ 2,108,127	$ 555,777	$ 2,663,904	$ 21,612,379
2024-2025	14,038,253	4,909,140	18,947,393	1,426,747	496,851	1,923,598	20,870,991
2025-2026	14,525,865	4,488,529	19,014,394	1,469,135	454,462	1,923,597	20,937,991
2026-2027	13,964,476	4,058,330	18,022,806	1,340,524	412,869	1,753,393	19,776,199
2027-2028	13,516,068	3,639,163	17,155,231	1,288,932	373,699	1,662,631	18,817,862
2028-2029	13,720,436	3,170,694	16,891,130	1,329,564	333,066	1,662,630	18,553,760
2029-2030	10,654,277	2,733,546	13,387,823	1,245,723	292,296	1,538,019	14,925,842
2030-2031	9,896,576	2,431,829	12,328,405	1,283,424	254,595	1,538,019	13,866,424
2031-2032	9,098,502	2,161,073	11,259,575	1,321,498	216,520	1,538,018	12,797,593
2032-2033	9,354,934	1,926,359	11,281,293	1,360,066	177,954	1,538,020	12,819,313
2033-2034	8,874,867	1,680,142	10,555,009	1,145,133	137,776	1,282,909	11,837,918
2034-2035	8,825,220	1,445,002	10,270,222	1,179,780	103,128	1,282,908	11,553,130
2035-2036	7,970,128	1,212,476	9,182,604	1,149,872	66,173	1,216,045	10,398,649
2036-2037	7,608,772	1,002,018	8,610,790	236,228	30,044	266,272	8,877,062
2037-2038	7,422,196	797,943	8,220,139	242,804	23,467	266,271	8,486,410
2038-2039	6,260,923	599,008	6,859,931	209,077	16,473	225,550	7,085,481
2039-2040	6,415,255	443,057	6,858,312	214,745	10,805	225,550	7,083,862
2040-2041	5,402,540	274,166	5,676,706	97,460	4,934	102,394	5,779,100
2041-2042	5,555,104	125,478	5,680,582	99,896	2,497	102,393	5,782,975
2042-2043	195,000	1,237,700	1,432,700	-	-	-	1,432,700
	$ 186,941,265	$ 43,642,255	$ 230,583,520	$ 18,748,735	$ 3,963,386	$ 22,712,121	$ 253,295,641

A summary of the changes in the principal of the outstanding bond obligations, the finance leases and the sick leave liability for the District during the year ended June 30, 2023 is as follows:

Governmental Activities	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023
Bond Obligations	$ 218,545,000	$ 2,490,000	$ 15,345,000	$ 205,690,000
Bond Premiums, Net	$ 3,680,337	$ (48,520)	$ 388,373	$ 3,243,444
KISTA Liabilities	$ 7,359,452	$ 1,493,737	$ 1,320,218	$ 7,532,971
Sick Leave	$ 1,672,765	$ 280,878	$ 580,685	$ 1,372,958

NOTE 18 UNDIVIDED INTEREST IN THE IGNITE INSTITUTE

On July 1, 2019, the District acquired an undivided interest in the Ignite Institute ("Ignite"), which is a regional high school at the Roebling Innovation Center in Boone County, Kentucky which provides regional programs.

The District has agreed to contribute $475,000 annually to Ignite to ensure its balance budget and contribute additional funds for any unforeseen costs needed to be incurred beyond the budget. The District is responsible for the transportation costs of the students in its district, and has contributed 26 initial staff. The District is entitled to 50% of the revenues raised for Ignite to offset its financial obligations. The District does not own any of the fixed assets of Ignite.

The agreement is in effect until either party desires to terminate its participation, a written notice is required two full school years prior to its termination process. If the other party desires termination, the District has the right to purchase the furniture, fixtures, equipment, and inventory at Ignite and to lease the premises at fair market rent for the purpose of continuing the program at Ignite.

The District has recorded its undivided interest in Ignite in its Academy Fund.

NOTE 19 INVESTMENTS AT FAIR VALUE

Current accounting and reporting standards define fair value, establish a three-level hierarchy for fair value measurements based on transparency of valuation inputs and require disclosures about fair value measurements. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.

Level 2 - Inputs are observable quoted prices for similar assets in active markets.

Level 3 - Inputs are unobservable and reflect our best estimate of what market participants would use as fair value.

Investments consisted of the following at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Brokered certificates of deposit	$ 24,989,750	$ -	$ -	$ 24,989,750
Total investments	$ 24,989,750	$ -	$ -	$ 24,989,750

The following is a description of the valuation methodologies used for investments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification pursuant to the valuation hierarchy. There were no valuations using Level 2 or 3 inputs.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include brokered certificates of deposit. If quoted market prices are not available, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics.

NOTE 20 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has various subscription-based information technology arrangements (SBITAs) which are used for educational and administrative purposes. These arrangements grant licenses to use the underlying IT assets of the vendors for periods expiring between June 2023 and June 2028. The District recognized an intangible asset and a corresponding liability for the value of the licenses during the term of the arrangements. These assets are amortized on a straight-line basis over the subscription term. The following table shows the District's change in subscription asset and liability accounts for the year ended June 30, 2023:

Governmental Activities	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Subscription assets	$ -	$ 1,385,984	$ -	$ 1,385,984
Accumulated amortization	$ -	$ 438,296	$ -	$ 438,296
Subscription liabilities	$ -	$ 648,869	$ -	$ 648,869

The District's SBITAs do not require any future payments for the remainder of the term and no variable costs or other payments are required. Therefore, no liability is recorded by the District.

NOTE 21 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2022, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement no. 96, *Subscription-Based Information Technology Arrangements*, as it relates to accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Under this Statement, contracts that provide the District with IT software and associated tangible capital assets are recognized as a right of use subscription asset and a corresponding subscription liability. Subscription assets and liabilities are recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation.

NOTE 22 SUBSEQUENT EVENTS

On August 2, 2023, the District issued a bond in the amount of $34,950,000. Interest on the bond will be accrued at 4.00% semiannually and payable each February and August, beginning February 1, 2024. The principal payments are due on an annual basis until August 1, 2043.

Subsequent events were considered through November 15, 2023, which represents the release date of the report.

SUPPLEMENTARY
INFORMATION

KENTON COUNTY SCHOOL DISTRICT

Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2023

	Capital Outlay Fund	Building Fund	District Activity Fund	Debt Service Fund	Academy Fund	Student Activity Fund	Total Non-major Government Funds
Assets							
Current:							
Cash and cash equivalents	$ -	$ 872,154	$ 586,007	$ -	$ 843,793	$ 1,347,608	$ 3,649,562
Accounts receivable	-	-	39,135	-	-	10,326	49,461
Total assets	$ -	$ 872,154	$ 625,142	$ -	$ 843,793	$ 1,357,934	$ 3,699,023
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ -	$ -	$ 4,197	$ -	$ 843,793	$ 21,610	$ 869,600
Total liabilities	-	-	4,197	-	843,793	21,610	869,600
Fund Balances:							
Restricted:							
Capital projects fund	-	872,154	-	-	-	-	872,154
Other	-	-	-	-	-	1,336,324	1,336,324
Committed:							
Other	-	-	620,945	-	-	-	620,945
Total fund balances	-	872,154	620,945	-	-	1,336,324	2,829,423
Total liabilities and fund balances	$ -	$ 872,154	$ 625,142	$ -	$ 843,793	$ 1,357,934	$ 3,699,023

KENTON COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds Year Ended June 30, 2023

	Capital Outlay Fund	Building Fund	District Activity Fund	Debt Service Fund	Academy Fund	Student Activity Fund	Total Nonmajor Government Funds
Revenues:							
Taxes	$ -	$ 16,763,379	$ -	$ -	$ -	$ -	$ 16,763,379
Earnings on investments	-	-	-	-	-	34,970	34,970
State sources	1,327,457	3,467,070	-	2,663,904	740,837	-	8,199,268
Other sources	-	-	47,359	-	-	2,357,734	2,405,093
Total revenues	1,327,457	20,230,449	47,359	2,663,904	740,837	2,392,704	27,402,710
Expenditures:							
Instructional	-	-	349,818	-	2,405,829	1,917,620	4,673,267
Student support services	-	-	606	-	-	-	606
Staff support services	-	-	30,220	-	-	-	30,220
School administration	-	-	-	-	392,409	-	392,409
Plant operation and maintenance	-	-	7,093	-	-	-	7,093
Student transportation	-	-	1,159	-	-	-	1,159
Other	-	-	-	-	-	71,759	71,759
Debt service:							
Principal	-	-	-	15,345,000	-	-	15,345,000
Interest	-	-	-	6,206,026	-	-	6,206,026
Total expenditures	-	-	388,896	21,551,026	2,798,238	1,989,379	26,727,539
Excess (deficit) of revenues over expenditures	1,327,457	20,230,449	(341,537)	(18,887,122)	(2,057,401)	403,325	675,171
Other Financing Sources (Uses)							
Proceeds from sale of assets	-	-	5,000	-	-	-	5,000
Operating transfers in	-	-	329,616	18,887,122	2,057,401	-	21,274,139
Operating transfers out	(1,327,457)	(19,358,295)	-	-	-	(329,616)	(21,015,368)
Total other financing sources(uses)	(1,327,457)	(19,358,295)	334,616	18,887,122	2,057,401	(329,616)	263,771
Net change in fund balance	-	872,154	(6,921)	-	-	73,709	938,942
Fund balance, July 1, 2022	-	-	627,866	-	-	1,262,615	1,890,481
Fund balance, June 30, 2023	$ -	$ 872,154	$ 620,945	$ -	$ -	$ 1,336,324	$ 2,829,423

KENTON COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 62,000,000	$ 62,000,000	$ 65,714,716	$ 3,714,716
Earnings on investments	181,531	181,531	1,776,006	1,594,475
State sources	42,166,533	42,166,533	86,041,540	43,875,007
Federal sources	478,469	478,469	484,291	5,822
Other sources	3,144,159	3,144,159	5,477,424	2,333,265
Total revenues	107,970,692	107,970,692	159,493,977	51,523,285
Expenditures				
Instructional	57,817,379	57,819,532	86,728,742	(28,909,210)
Student support services	8,475,753	8,475,173	11,166,849	(2,691,676)
Staff support services	3,730,143	3,735,354	5,675,021	(1,939,667)
District administration	2,417,153	2,417,152	2,730,256	(313,104)
School administration	7,768,057	7,761,274	11,517,784	(3,756,510)
Business support services	3,333,912	3,333,912	4,198,017	(864,105)
Plant operation and maintenance	15,195,816	15,195,816	16,199,474	(1,003,658)
Student transportation	9,979,412	9,979,412	9,790,489	188,923
Community service operations	2,718	2,718	50	2,668
Other	24,186,330	24,186,330	4,588,251	19,598,079
Total expenditures	132,906,673	132,906,673	152,594,933	(19,688,260)
Net change in fund balance	(24,935,981)	(24,935,981)	6,899,044	31,835,025
Fund balance, July 1, 2022	24,935,981	24,935,981	28,462,217	3,526,236
Fund balance, June 30, 2023	$ -	$ -	$ 35,361,261	$ 35,361,261

KENTON COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	$ 4,071,413	$ 4,147,390	$ 4,593,684	$ 446,294
Federal sources	6,423,044	6,487,900	12,395,578	5,907,678
Other sources	282,862	455,153	452,476	(2,677)
Total revenues	10,777,319	11,090,443	17,441,738	6,351,295
Expenditures				
Instructional	7,645,234	8,045,512	9,333,088	(1,287,576)
Student support services	108,272	134,706	559,402	(424,696)
Staff support services	1,254,555	1,139,896	4,168,113	(3,028,217)
District administration	71,805	71,805	23,740	48,065
School administration	171,000	-	-	-
Plant operation and maintenance	72,089	72,089	703,185	(631,096)
Student transportation	-	-	48,396	(48,396)
Food service operation	-	-	125,933	(125,933)
Community service operations	1,066,658	1,238,729	1,359,269	(120,540)
Other	387,706	387,706	1,120,612	(732,906)
Total expenditures	10,777,319	11,090,443	17,441,738	(6,351,295)
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2022	-	-	-	-
Fund balance, June 30, 2023	$ -	$ -	$ -	$ -

KENTON COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Earnings on investments	$ -	$ 41,327	$ 790,071	$ 748,744
Other sources	-	45,272,700	4,011,563	(41,261,137)
Total revenues	-	45,314,027	4,801,634	(40,512,393)
Expenditures				
Facility acquisition and construction	-	44,298,900	43,092,226	(1,206,674)
Other	-	1,248,560	338,114	(910,446)
Total expenditures	-	45,547,460	43,430,340	(2,117,120)
Net change in fund balance	-	(233,433)	(38,628,706)	(38,395,273)
Fund balance, July 1, 2022	-	-	51,653,643	51,653,643
Fund balance, June 30, 2023	$ -	$ (233,433)	$ 13,024,937	$ 13,258,370

KENTON COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2023

	Issue of 2012 - Ref	Issue of 2013	Issue of 2013 - Ref	Issue of 2014	Issue of 2015A - Ref	Issue of 2015B - Ref	Issue of 2015C	Issue of 2016 - Ref	Issue of 2016B
Cash at July 1, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:									
Transfers and miscellaneous deposits	4,617,500	766,941	5,200,013	289,338	530,350	2,037,450	1,154,005	1,682,200	1,115,138
Disbursements:									
Bonds paid	4,395,000	525,000	4,790,000	190,000	340,000	1,770,000	730,000	990,000	630,000
Interest coupons	222,500	241,941	410,013	99,338	190,350	267,450	424,005	692,200	485,138
Total disbursements	4,617,500	766,941	5,200,013	289,338	530,350	2,037,450	1,154,005	1,682,200	1,115,138
Excess of receipts over disbursements	-	-	-	-	-	-	-	-	-
Cash at June 30, 2023	-	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Issue of 2017	Issue of 2017 - Ref	Issue of 2018	Issue of 2020	Issue of 2020 - Ref	Issue of 2021	Issue of 2022	Issue of 2022B	Total
Cash at July 1, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:									
Transfers and miscellaneous deposits	270,956	263,200	493,088	415,899	261,750	946,031	1,456,672	50,495	21,551,026
Disbursements:									
Bonds paid	135,000	220,000	25,000	80,000	150,000	315,000	60,000	-	15,345,000
Interest coupons	135,956	43,200	468,088	335,899	111,750	631,031	1,396,672	50,495	6,206,026
Total disbursements	270,956	263,200	493,088	415,899	261,750	946,031	1,456,672	50,495	21,551,026
Excess of receipts over disbursements	-	-	-	-	-	-	-	-	-
Cash at June 30, 2023	-	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

KENTON COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Scott High School Activity Fund
For the Year Ended June 30, 2023

	Fund Balance July 1, 2022	Receipts	Disbursements	Transfers, Net	Fund Balance June 30, 2023
Academic Team	$ 1,073	$ -	$ -	$ -	$ 1,073
Adventure Crew Club	852	-	318	-	534
Archery	4,628	5,096	7,405	(105)	2,214
Athletics	12,730	172,799	123,865	(47,013)	14,651
Band (Marching Band)	5,662	610	1,476	-	4,796
Bowling	181	352	-	-	533
Boys Golf	1,148	-	-	(319)	829
Boys Tennis	111	-	-	-	111
Boys Track	1,919	2,345	936	-	3,328
Buddy Club	1,153	228	1,051	-	330
CBI Trips and Activities	-	950	950	-	-
Choir	683	-	-	-	683
CLASS OF 2022	-	10,000	10,000	-	-
CLASS OF 2023	4,224	-	14,446	10,222	-
CLASS OF 2024	1,000	-	16,756	21,157	5,401
CLASS OF 2025	1,000	-	-	1,000	2,000
CLASS OF 2026	-	-	-	1,000	1,000
Community Club	73	-	-	-	73
Cross Country	4,430	3,101	5,878	(120)	1,533
Dance Team	533	-	-	-	533
Drama	9,326	9,592	8,447	-	10,471
Family Assistance	3,381	640	1,349	-	2,672
Fellowship Christian Athletes	14	-	-	-	14
Field Trips	1,279	-	-	-	1,279
Flower Fund	278	-	-	(278)	-
Fund 21/ATHL Admissions	-	235	212	-	23
Fund 21/ATHL Donations	-	472	4,685	4,213	-
Fund 21/ATHL Student Fees	-	-	11,000	11,000	-
Girls Basketball	6,169	4,517	7,042	1,540	5,184
Girls Golf	17	-	-	-	17
Girls Soccer	2,014	4,320	747	(550)	5,037
Girls Tennis	860	849	1,130	-	579
Girls Track	2,053	4,345	415	-	5,983
JROTC	4,756	11,347	10,531	-	5,572
Junior Statesman	727	7,785	8,246	-	266
National Honor Society	645	165	-	-	810
SHS Scholarship Fund	19,535	11,643	-	-	31,178
Student Council	11,494	-	5,029	2,188	8,653
Student Fees (to Fund 21)	-	4,213	-	(4,213)	-
Student Support	5,014	8,602	2,232	-	11,384
Summer School	1,425	-	-	-	1,425
Swimming & Diving	5,659	7,003	7,799	-	4,863
Teacher Support	1,916	282	751	277	1,724
Tech Fees	-	1,520	1,110	-	410
Volleyball	1,150	-	-	1	1,151
Yearbook Club	269	400	-	-	669
Total	$ 119,381	$ 273,411	$ 253,806	$ -	$ 138,986

KENTON COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Simon Kenton High School Activity Fund
For the Year Ended June 30, 2023

	Fund Balance July 1, 2022	Receipts	Disbursements	Transfers, Net	Fund Balance June 30, 2023
Academic Team	$ 2,173	$ 1,000	$ 1,951	$ -	$ 1,222
Archery Team	-	8,694	5,532	67	3,229
Art Club	178	391	179	(145)	245
Athletics	56,318	225,784	199,768	(13,705)	68,629
Baseball	-	43,751	30,946	(3,096)	9,709
Basketball - Boys	16,587	65,085	46,186	(14,777)	20,709
Basketball - Girls	8,511	29,913	36,285	(1,121)	1,018
Bass Fishing Team	2,580	3,050	4,239	-	1,391
Bi-County FFA Scholarship	49,169	-	1,500	-	47,669
Bowling Team	4,565	1,620	1,031	-	5,154
Bridge Club	371	-	118	-	253
Change	-	250	250	-	-
Cheerleading	1,918	45,688	43,867	4,026	7,765
Choir Club	-	2,714	2,069	(463)	182
Chris Girard Memorial Scholarship	11,861	-	1,000	-	10,861
Class of 2022	1	-	1	-	-
Community Based Class	2,791	222	1,243	-	1,770
Community Based Transportation	1,857	9,222	2,182	-	8,897
Cross County/Track	5,027	6,446	3,831	(4,526)	3,116
Dance Team	708	11,391	6,834	(1,185)	4,080
District Tech Fee/Sweep	-	403	403	-	-
Drama Club	9,852	12,689	5,815	(3,601)	13,125
Faculty Fund	1,422	562	536	(882)	566
FBLA	309	985	835	(229)	230
Field Trips	1,546	5,279	5,177	36	1,684
Fine Arts Support Fund	645	700	1,310	-	35
Fire Fund	27,000	-	-	-	27,000
First Priority	5	-	-	-	5
Football	22,184	53,730	64,727	(5,283)	5,904
French Club	107	-	-	(27)	80
Freshman Academy	5,494	-	1,199	-	4,295
Freshman Class of 2026	-	176	112	-	64
Fund 21 - Bookstore Sales	-	110	110	-	-
Fund 21 - Fees	-	5,032	5,032	-	-
Fund 21 - Other Ath Activity	-	30	35,890	35,860	-
Fund 21 - Other Dist Student Activity	-	6,026	10,974	4,948	-
Future Farmers of America	2,988	4,299	3,646	(515)	3,126
Golf - Boys	-	2,380	2,253	(7)	120
Golf - Girls	582	493	505	-	570
Greenhouse	5,443	6,356	-	-	11,799
Hall of Fame	15,643	-	-	1	15,644
Homecoming	20,604	18,007	12,713	(1,718)	24,180
Junior Class of 2024	185	-	-	(185)	-
Library Media Center	105	22	-	-	127
Nat'l Art Honor Society	54	75	114	-	15
NHS	-	1,715	1,091	(133)	491
Photo Club	-	1,251	1,188	-	63
Pioneer Pride	403	2,537	2,271	(153)	516
Pride Shop	4,292	4,685	5,557	4,445	7,865
Rising Sun	2,000	-	1,500	-	500
Robert Roden Scholarship	371	-	-	-	371
Scholarship	22,113	14,600	13,750	-	22,963
Scott Scholarship	48,395	12,642	13,000	-	48,037
Senior Class of 2023	-	38,931	35,631	(3,300)	-
Soccer - Boys	699	-	390	-	309
Soccer - Girls	213	-	-	301	514
Softball	943	3,500	2,312	(332)	1,799
Soph Class of 2025	-	556	134	(66)	356
Strides for Stephanie	2,221	-	-	-	2,221
Student Incentives	19,177	14,808	17,877	4,167	20,275
Summer School	503	-	-	-	503
Swimming	1,397	3,518	4,406	(25)	484
Tennis - Boys & Girls	-	9,030	5,524	(249)	3,257
Testing Fund	26,357	4,205	2,144	-	28,418
Track	-	3,750	3,750	2,514	2,514
Unified Bowling	188	1,520	797	(748)	163
Unified Track	1,156	-	336	-	820
Veteran's Day	-	-	260	468	208
Volleyball	-	2,973	2,343	-	630
Wrestling	2,000	-	-	-	2,000
Yearbook	2,744	2	155	(150)	2,441
Youth Service Center	3,988	639	3,336	(212)	1,079
Total	$ 417,943	$ 693,437	$ 658,115	$ -	$ 453,265

KENTON COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Dixie Heights High School Activity Fund
For the Year Ended June 30, 2023

	Fund Balance July 1, 2022	Receipts	Disbursements	Transfers, Net	Fund Balance June 30, 2023
Academic Team	$ -	$ 35	$ 35	$ -	$ -
Archery Fundraising	-	-	770	770	-
Art Club	427	-	135	-	292
Athletics, General	34,468	230,948	231,290	3,731	37,857
Band	11,793	31,463	32,123	-	11,133
BETA Club	651	105	-	-	756
Bowling Fundraising	22	-	-	-	22
Boys Golf Fundraising	2	-	-	-	2
Boys Soccer Fundraising	-	5,245	996	(1,500)	2,749
CBI Community Based Edu	83	3,754	2,306	-	1,531
Cheerleading Fundraising	7,198	65,429	67,537	-	5,090
Choir Club	1,176	2,023	477	-	2,722
Dixie Scholars Club	368	850	835	-	383
Drama Club	878	16,360	13,793	-	3,445
Drug Free Club	458	245	210	-	493
Earth Wise	-	104	-	-	104
Faculty	400	195	456	-	139
Faculty Flower Fund	109	220	300	-	29
FBLA Club	220	910	1,374	244	-
FEA Club	6	-	-	-	6
Fees	-	3,494	14,945	11,452	1
FFA	722	195	-	-	917
Football fund Raising	10,209	15,150	15,066	-	10,293
Foreign Language NHS	4,844	419	278	-	4,985
Forensic Team	-	1,704	1,704	-	-
Fund 21 Sweep Account	60	11,872	460	(11,472)	-
Gaming Club	8	-	-	(8)	-
Girls BK Fund Raising	1,669	19,860	10,227	-	11,302
Girls Soccer Fund Raising	11,696	8,949	6,922	(3,000)	10,723
Girls Track Fundraising	1,308	1,500	216	-	2,592
Ham Radio Tech Club	679	-	149	-	530
IMPACT Club	-	-	-	-	-
Jr Class Dance/Activities	8,210	34,985	41,353	170	2,012
Mock Trial Team	65	-	-	-	65
NHS Club	1,651	630	1,185	-	1,096
Odyssey of the Mind Team	33	175	290	82	-
Other Dist/Stu Income	-	1,054	1,074	20	-
Random Acts of Kindness	54	-	-	-	54
Robotics	272	-	-	-	272
S.T.L.P. Club	447	-	-	-	447
SAGA	-	21	-	-	21
Sandfoss Memorial Scholarship	-	2,000	2,000	-	-
Scott Scholarship	-	11,643	11,643	-	-
Social Norms Club	78	-	-	-	78
Softball Fundraising	604	-	-	-	604
Senior Class Dance/Activities	838	19,030	20,487	619	-
Startup Cash	-	2,000	2,000	-	-
Student Council	5,769	14,805	8,900	30	11,704
Student Enrichment	20,140	11,461	11,899	(938)	18,764
Technology Fee	150	-	-	-	150
Volleyball Fund Raising	170	-	-	-	170
Ycarbook Club	3,183	2,562	2,091	-	3,654
Youth Service Center	1,719	700	978	(200)	1,241
Total	$ 132,837	$ 522,095	$ 506,504	$ -	$ 148,428

KENTON COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
For the Year Ended June 30, 2023

	Summit View Academy	Turkey Foot Middle School	Twenhofel Middle School	Woodland Middle School	Beechgrove Elementary	Caywood Elementary
Fund balances at July 1, 2022	$ 100,337	$ 38,612	$ 192,651	$ 38,455	$ 36,004	$ 13,035
Add: receipts	126,498	115,075	182,085	62,084	48,606	22,743
Less: disbursements	(145,002)	(95,357)	(179,916)	(54,836)	(52,591)	(24,839)
Fund balance at June 30, 2023	$ 81,833	$ 58,330	$ 194,820	$ 45,703	$ 32,019	$ 10,939

	Fort Wright Elementary	Hinsdale Elementary	Kenton Elementary	Piner Elementary	River Ridge Elementary	Ryland Heights Elementary
Fund balances at July 1, 2022	$ 15,631	$ 16,134	$ 20,556	$ 35,983	$ 22,450	$ 20,065
Add: receipts	28,500	68,813	41,972	21,294	46,500	100,642
Less: disbursements	(24,987)	(76,384)	(36,567)	(22,188)	(47,275)	(102,724)
Fund balance at June 30, 2023	$ 19,144	$ 8,563	$ 25,961	$ 35,089	$ 21,675	$ 17,983

	Taylor Mill Elementary	White's Tower Elementary	Total
Fund balances at July 1, 2022	$ 20,131	$ 22,413	$ 592,457
Add: receipts	11,844	27,104	903,760
Less: disbursements	(12,800)	(25,106)	(900,572)
Fund balance at June 30, 2023	$ 19,175	$ 24,411	$ 595,645

KENTON COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net Pension Liability – TRS

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	*	*
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*
State's proportionate share of the net pension liability associated with the District	330,621,254	255,138,437	275,146,804	267,672,165	254,678,294	526,022,122	574,248,216	455,140,342	*	*
Total	$ 330,621,254	$ 255,138,437	$ 275,146,804	$ 267,672,165	$ 254,678,294	$ 526,022,122	$ 574,248,216	$ 455,140,342	*	*
District's covered-employee payroll	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	$ 62,415,878	$ 61,542,779	$ 61,049,646	$ 57,147,377	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	*	*
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

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

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

Changes of assumption: 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 for the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.

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

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

Changes of assumption: In the 2020 experience study, rates of withdrawal, retirement, disability, mortalitym and rates of salary increases were adjusted to reflect actual experience more close. The expectation of mortaility was changed to the Pub2010 Mortality Tables projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3% to 2.50%. In addition, the calculation of the SEIR results in an assumption.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	*
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 70,517,215	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	$ 62,415,878	$ 61,542,779	$ 61,049,646	$ 57,147,377	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

KENTON COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of net pension liability	0.688548%	0.716027%	0.745789%	0.756928%	0.747597%	0.730802%	0.717592%	0.713744%	*	*
District's proportionate share of the net pension liability	$ 49,775,228	$ 45,652,338	$ 57,201,399	$ 53,235,083	$ 45,530,936	$ 42,776,088	$ 35,331,499	$ 30,687,590	*	*
Total net pension liability	$ 7,229,013,496	$ 6,375,784,388	$ 7,669,917,211	$ 7,033,044,552	$ 6,090,304,793	$ 5,853,307,482	$ 4,923,618,237	$ 4,299,525,565	*	*
District's covered-employee payroll	$ 19,185,505	$ 18,537,283	$ 19,236,792	$ 19,064,764	$ 18,445,837	$ 17,847,065	$ 16,968,535	$ 16,656,667	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.44%	246.27%	297.35%	279.23%	246.84%	239.68%	208.22%	184.24%	*	*
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

2014: As cash balance plan was introduced for member whose participation date is on or after January 1, 2014.

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

2015: The assumed investment rate of return was decreased from 7.75% to 7.50%.

2015: The assumed rate of inflation was reduced from 3.50% to 3.25%.

2015: The assumed rate of wage inflation was reduced from 1.00% to 0.75%.

2015: Payroll growth assumption was reduced from 4.50% to 4.00%.

2015: The mortality table used for active members is RP-2000 Combined Mortality table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).

2015: For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

2015: The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017: The assumed investment rate of return was decreased from 7.50% to 6.25%.

2017: The assumed rate of inflation was reduced from 3.25% to 2.30%.

2017: The assumed rate of salary growth was reduced from 4.00% to 3.05%.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District Contributions – CERS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 4,699,868	$ 4,069,465	$ 3,564,709	$ 3,712,733	$ 3,113,580	$ 3,425,254	$ 3,365,129	$ 2,943,161	$ 2,944,080	*
Contributions in relation to the contractually required contribution	(4,699,868)	(4,069,465)	(3,564,709)	(3,712,733)	(3,113,580)	(3,425,254)	(3,365,129)	(2,943,161)	(2,944,080)	*
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
District's covered-employee payroll	$ 20,024,283	$ 19,185,505	$ 18,537,283	$ 19,236,792	$ 19,064,764	$ 18,445,837	$ 17,847,065	$ 16,968,535	$ 16,656,667	*
Contributions as a percentage of of covered-employee payroll	23.47%	21.21%	19.23%	19.30%	16.33%	18.57%	18.86%	17.34%	17.68%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net OPEB Liability – LIF

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	0%	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	569,000	241,000	633,000	571,000	513,000	274,000	*	*	*	*
Total net OPEB liability	$ 569,000	$ 241,000	$ 633,000	$ 571,000	$ 513,000	$ 274,000	*	*	*	*
District's covered-employee payroll	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	$ 62,415,878	$ 61,542,779	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	89.15%	71.57%	73.40%	74.97%	79.99%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	25 years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

KENTON COUNTY SCHOOL DISTRICT

Schedule of District's Contributions – LIF

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	*	*	*	*	*
Contribution deficiency	-	-	-	-	-	*	*	*	*	*
District's covered-employee payroll	$ 70,517,215	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net OPEB Liability – MIF

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	1.402697%	1.040249%	1.035769%	1.040797%	1.000033%	1.025238%	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ 34,822,000	$ 22,321,000	$ 26,140,000	$ 30,462,000	$ 34,698,000	$ 36,558,000	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ 11,440,000	$ 18,127,000	$ 20,939,000	$ 24,600,000	$ 29,903,000	$ 29,863,000	*	*	*	*
Total net OPEB liability	$ 46,262,000	$ 40,448,000	$ 47,079,000	$ 55,062,000	$ 64,601,000	$ 66,421,000	*	*	*	*
District's covered-employee payroll	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	$ 62,415,878	$ 61,542,779	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	52.2%	34.5%	40.6%	47.6%	55.6%	59.4%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	51.74%	39.05%	32.58%	25.54%	21.18%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in benefit terms - None

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorily determined amounts as noted in the assumed asset allocation for MIF.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District's Contributions – MIF

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 2,112,631	$ 2,003,936	$ 1,829,240	$ 1,930,293	$ 1,916,935	$ 1,823,422	*	*	*	*
Contributions in relation to the contractually required contribution	(2,112,631)	(2,003,936)	(1,829,240)	(1,930,293)	(1,916,935)	(1,823,422)	*	*	*	*
Contribution deficiency	-	-	-	-	-	-	*	*	*	*
District's covered-employee payroll	$ 70,517,215	$ 66,737,323	$ 64,781,464	$ 64,392,008	$ 63,929,795	$ 62,415,878	*	*	*	*
Contributions as a percentage of of covered-employee payroll	3.00%	3.00%	2.82%	3.00%	3.00%	2.92%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

Changes in benefit terms - None

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorily determined amounts as noted in the assumed asset allocation for MIF.

KENTON COUNTY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	0.688422%	0.715859%	0.745573%	0.756739%	0.747575%	0.730802%	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ 13,586,102	$ 13,704,762	$ 18,003,321	$ 12,728,009	$ 13,273,046	$ 14,691,620	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*	*
Total net OPEB liability	$ 13,586,102	$ 13,704,762	$ 18,003,321	$ 12,728,009	$ 13,273,046	$ 14,691,620	*	*	*	*
District's covered-employee payroll	$ 19,185,505	$ 18,537,283	$ 19,236,792	$ 19,064,764	$ 18,445,837	$ 17,847,065	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	70.8%	73.9%	93.6%	66.8%	72.0%	82.3%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

KENTON COUNTY SCHOOL DISTRICT

Schedule of District Contributions – MIF (CERS)

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 681,042	$ 1,114,210	$ 879,727	$ 915,671	$ 1,002,807	$ 871,263	*	*	*	*
Contributions in relation to the contractually required contribution	(681,042)	(1,114,210)	(879,727)	(915,671)	(1,002,807)	(871,263)	*	*	*	*
Contribution deficiency	-	-	-	-	-	-	*	*	*	*
District's covered-employee payroll	$ 20,024,283	$ 19,185,505	$ 18,537,283	$ 19,236,792	$ 19,064,764	$ 18,445,837	*	*	*	*
Contributions as a percentage of of covered-employee payroll	3.40%	5.81%	4.75%	4.76%	5.26%	4.72%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

KENTON COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2023
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education Cluster			
Special Education_Grants to States	84.027A	3810002 - 22	$ 137,056
Special Education_Grants to States	84.027A	3810002 - 23	9,943
IDEA-B LEA-ARP	84.027X	Not provided	291,117
Special Education_Preschool Grants	84.173A	3800002 - 22	240,168
Special Education_Preschool Grants	84.173A	3800002 - 23	2,406,813
Total Special Education Cluster			3,085,097
Special Education_Grants to States (Special Olympics)	84.380	Not provided	494
Title I Grants to Local Educational Agencies	84.010A	3100002 - 21	45,494
Title I Grants to Local Educational Agencies	84.010A	3100002 - 22	820,981
Title I Grants to Local Educational Agencies	84.010A	3100002 - 23	1,267,273
Total ALN #84.010			2,133,748
Title I-D Neglected and Delinquent Children	84.013	Not provided	2,230
	84.013	Not provided	10,177
Title I-D Neglected and Delinquent Children	84.013	Not provided	27,035
Total ALN #84.048			39,442
Career and technical Education -Basic Grants to States	84.048	4621132 - 22	11,883
Career and technical Education -Basic Grants to States	84.048	4621132 - 23	144,275
Total ALN #84.048			156,158
Arts in Mind	84.351		29,417
English Language Acquisition State Grants	84.365	3300002 - 22	2,607
English Language Acquisition State Grants	84.365	3300002 - 23	66,399
Total ALN #84.365			69,006
Title II Improving Teacher Quality State Grants	84.367	3230002 - 20	6
Title II Improving Teacher Quality State Grants	84.367	3230002 - 21	50,442
Title II Improving Teacher Quality State Grants	84.367	3230002 - 22	105,248
Title II Improving Teacher Quality State Grants	84.367	3230002 - 23	230,690
Total ALN #84.367			386,386
Title IV-Part A Student Support & Academic Enrichment Grant	84.424A	3420002 - 21	12,434
Title IV-Part A Student Support & Academic Enrichment Grant	84.424A	3420002 - 22	36,050
Title IV-Part A Student Support & Academic Enrichment Grant	84.424A	3420002 - 23	77,837
Total ALN #84.424			126,321
Elementary & Secondary School Emergency Relief Fund	84.425D	Not provided	517
Governor's Emergency Education Relief Fund	84.425C	Not provided	87,269
Elementary & Secondary School Emergency Relief Fund II	84.425D	Not provided	3,434,496
Elementary & Secondary School Emergency Relief Fund III	84.425U	Not provided	660,492
Elementary & Secondary School Emergency Relief Fund III - Digital Learning Coach Supports	84.425U	Not provided	16,135
Elementary & Secondary School Emergency Relief Fund III - Kentucky Virtual Library	84.425U	Not provided	13,757
Elementary & Secondary School Emergency Relief Fund III - 20% Learning Loss	84.425U	Not provided	2,141,221
ARP ESSER Homeless Children and Youth II	84.425W	Not provided	11,889
Total ALN #84.425			6,365,776
Promoting Adolescent Health Through School-Based Survelliance	93.079	Not provided	563
CECC Preschool Development Grant School Readiness	93.434	Not provided	3,170
Total U.S. Department of Education			12,395,578

KENTON COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2023
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Kentucky Department of Education			
National School Lunch Program	10.555	7750002	3,694,736
National School Lunch Program	10.555	9980000	481,030
School Breakfast Program	10.553	7760005	1,219,510
Child and Adult Care Food Program	10.558	7790021	1,161
Summer Food Service Program for Children	10.559	7690024	1,468
Summer Food Service Program for Children	10.559	7740023	28,174
State Administrative Expenses for Child Nutrition	10.560	7700001	10,945
			5,437,024
Passed through Kentucky Department of Agriculture			
National School Lunch Program - Food Donation	10.555	4002553	769,334
Total Child Nutrition Cluster			6,206,358
Passed through Kentucky Department of Education			
Pandemic EBT Administrative Costs	10.649	9990000	18,746
Total U.S. Department of Agriculture			6,225,104
Total Expenditures of Federal Awards			$ 18,620,682

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Kenton County School District under programs of the federal government for the year ended June 30, 2023 and is reported on the accrual basis of accounting. 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*. Because the schedule presents only a selected portion of the operations of Kenton 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 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. 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.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2023, the District reported food commodities expended in the amount of $769,334.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2023.

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

To the Members of the Board of Education
Kenton County School District
Independence, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenton County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Kenton 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 Kenton County School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kenton County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Kenton 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenton 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 determination of financial statement amounts. 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 other matters that we reported to management of the District on pages 85 to 89.

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

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.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 15, 2023

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

Members of the Board of Education
Kenton County School District
Independence, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kenton County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kenton County School District's major federal programs for the year ended June 30, 2023. Kenton 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, Kenton 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Kenton 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 Kenton 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 Kenton County School District's federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

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 Kenton 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 Kenton 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 Kenton 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 Kenton 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 Kenton 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.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

Report on Internal Control Over Compliance (Continued)

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.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 15, 2023

KENTON COUNTY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None noted
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major programs

ALN No.	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
84.027 / 84.173	Special Education Cluster
84.010	Title I

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

Auditee qualified as low-risk auditee?	X	Yes		No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

KENTON COUNTY SCHOOL DISTRICT

Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR'S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

KENTON COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2023

In planning and performing our audit of the financial statements of Kenton County School District for the year ended June 30, 2023. we considered the District's internal control structure 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 structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated November 15, 2023, contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated November 15, 2023, on the financial statements of the Kenton County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

Statement of Deficiency: It was noted that several outstanding checks were carried for longer than 12 months.

Management Response: The district is currently in the process of contacting payees, researching the outstanding payments and completing the State of Kentucky unclaimed funds process if necessary.

ACTIVITY FUNDS

Dixie Heights High School

No matters are reportable

Scott High School

No matters are reportable

Simon Kenton High School

Statement of Deficiency: It was noted that four outstanding checks were carried for longer than 12 months.

Management Response: The district is currently in the process of contacting payees, researching the outstanding payments and completing the State of Kentucky unclaimed funds process if necessary.

Summit View Academy

Statement of Deficiency: It was noted that five outstanding checks were carried for longer than 12 months.

Management Response: The district is currently in the process of contacting payees, researching the outstanding payments and completing the State of Kentucky unclaimed funds process if necessary.

Statement of Deficiency: It was noted that two invoices were not marked as “paid”.

Management Response: The new bookkeeper will receive training regarding the complete process for paying invoices.

CURRENT YEAR RECOMMENDATIONS (Continued)

Summit View Academy (Continued)

Statement of Deficiency: It was noted that six monthly financial reports were not prepared in a timely manner.

Management Response: The new bookkeeper will receive training regarding the prompt completion of the monthly reports.

Turkey Foot Middle School

No matters are reportable

Twenhofel Middle School

No matters are reportable

Woodland Middle School

No matters are reportable

Beechgrove Elementary School

No matters are reportable

Caywood Elementary School

No matters are reportable

Fort Wright Elementary School

No matters are reportable

R.C. Hinsdale Elementary School

Statement of Deficiency: It was noted that six outstanding checks were carried for longer than 12 months.

Management Response: The district is currently in the process of contacting payees, researching the outstanding payments and completing the State of Kentucky unclaimed funds process if necessary.

Kenton Elementary School

No matters are reportable

Piner Elementary School

No matters are reportable

River Ridge Elementary School

No matters are reportable

CURRENT YEAR RECOMMENDATIONS (Continued)

Ryland Heights Elementary

No matters are reportable

Taylor Mill Elementary

Statement of Deficiency: It was noted that four outstanding checks were carried for longer than 12 months.

Management Response: The district is currently in the process of contacting payees, researching the outstanding payments and completing the State of Kentucky unclaimed funds process if necessary.

White's Tower Elementary

No matters are reportable

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

Statement of Deficiency: It was noted that several outstanding checks were carried for longer than 12 months.

Current year follow-up: See current year recommendation.

ACTIVITY FUNDS

Dixie Heights High School

No matters are reportable

Scott High School

No matters are reportable

Simon Kenton High School

No matters are reportable

Summit View Academy

Statement of Deficiency: It was noted that one outstanding check was carried for longer than 12 months.

Current year follow-up: See current year recommendation.

Turkey Foot Middle School

No matters are reportable

Twenhofel Middle School

No matters are reportable

Woodland Middle School

Statement of Deficiency: It was noted that one outstanding check was carried for longer than 12 months.

Current year follow-up: No such instances noted.

Beechgrove Elementary School

Statement of Deficiency: It was noted that multiple outstanding checks were carried for longer than 12 months.

Current year follow-up: No such instances noted.

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Caywood Elementary School

No matters are reportable

Fort Wright Elementary School

No matters are reportable

R.C. Hinsdale Elementary School

Statement of Deficiency: It was noted that multiple outstanding checks were carried for longer than 12 months.

Current year follow-up: See current year recommendation.

Kenton Elementary School

Statement of Deficiency: It was noted that multiple outstanding checks were carried for longer than 12 months.

Current year follow-up: No such instances noted.

Piner Elementary School

No matters are reportable

River Ridge Elementary School

Statement of Deficiency: It was noted that multiple outstanding checks were carried for longer than 12 months.

Current year follow-up: No such instances noted.

Ryland Heights Elementary

No matters are reportable

Taylor Mill Elementary

Statement of Deficiency: It was noted that multiple outstanding checks were carried for longer than 12 months.

Current year follow-up: See current year recommendation.

White’s Tower Elementary

No matters are reportable

APPENDIX D

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

STATEMENT OF INDEBTEDNESS

STATEMENT OF INDEBTEDNESS

KY CONST. §§ 157 and 158
KRS § 66.041

COMMONWEALTH OF KENTUCKY	)	
	)	SS
COUNTY OF KENTON	)	

The undersigned, as the Treasurer of the Board of Education of the Kenton County School District (the "District"), does hereby certify that the following statements concerning the financial condition of the District are true and correct, as they appear from records of the District:

1.	The assessed valuation of taxable property in the District as estimated on the last certified assessment is	$12,320,629,310
2.	The current population of the District is	[170,313]
3.	The total amount of all bonds, notes, and other obligations of the District issued and outstanding, including the present Bonds of $25,685,000*	$25,685,000*
4.	Bonds, notes, and other obligations of the District excluded from the calculation of net indebtedness are as follows:	
	(a) Obligations issued in anticipation of the levy or collection of special assessments which are payable solely from those assessments or are otherwise self-supporting obligations	$0
	(b) Obligations issued in anticipation of the collection of current taxes or revenues for the fiscal year which are payable within that fiscal year	$0
	(c) Obligations that are not self-supporting obligations and are issued after July 15, 1996, by any instrumentality of the District created to finance public projects for which there has been no pledge to the payment of debt charges of any tax of the District or for which there is no covenant by the District to collect or levy a tax to pay debt charges	$0
	(d) Self-supporting obligations and other obligations for which there has been no pledge to the payment of debt charges of any tax of the District or for which there is no covenant by the District to collect or levy a tax to pay debt charges	$0
	(e) Obligations issued to pay costs of public projects to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants within that fiscal year	$0
	(f) Leases entered into under KRS Sections 65.940 to 65.956 after July 15, 1996 which are not tax-supported leases	$0
	(g) Bonds issued in the case of an emergency, when the public health or safety should so require	$0

* Preliminary, subject to change.

(h) Bonds issued to fund a floating indebtedness $0

TOTAL EXEMPT OBLIGATIONS $__________

5. The total amount of bonds, notes, and other obligations of the District subject to the debt limitation set forth in KRS Section 66.041 (Line 3 minus Line 4) is $25,685,000*

6. The total amount of bonds, notes, and other obligations of the District subject to the debt limitation set forth in KRS Section 66.041, as computed in Line 5 above, does not exceed 2% of the assessed valuation of all of the taxable property in the District.**

7. The current tax rate of the District, for school purposes, upon the value of its taxable property is $0.6590 per $100 of assessed valuation for real property and $0.6590 per $100 of assessed valuation for tangible property, which does not exceed the maximum permissible aggregate tax rate for the District permitted by Kentucky law.

8. The issuance of the bonds, bond anticipation notes, or other obligations set forth in Line 3 hereof will not cause the tax rate set forth in Paragraph 7 hereof to increase in an amount which would exceed the maximum permissible aggregate tax rate for the District permitted by Kentucky law.

IN WITNESS WHEREOF, I have hereunto set my hand this September 12, 2024.

By: ________________________________

Treasurer

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* Preliminary, subject to change.

** In accordance with KRS Section 66.041, a city, county, urban-county, consolidated local government, charter county, or taxing district shall not incur net indebtedness to an amount exceeding the following maximum percentages on the value of taxable property within the city, county, urban-county, consolidated local government, charter county, or taxing district, as estimated by the last certified assessment previous to the incurring of the indebtedness:

(a) Cities, urban-counties, consolidated local governments, and charter counties having a population of 15,000 or more, 10%;

(b) Cities, urban-counties, and charter counties having a population of less than 15,000 but not less than 3,000, 5%;

(c) Cities, urban-counties, and charter counties having a population of less than 3,000, 3%; and

(d) Counties and taxing districts, 2%.

APPENDIX E

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds referred to therein and may vary from the form set forth to reflect circumstances both factual and legal at the time of delivery. Recirculation of the Final Official Statement shall create no implication that Dinsmore & Shohl LLP has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

[Date of Delivery]

Ladies and Gentlemen:

We have examined the transcript of proceedings for the issue of $25,685,000* General Obligation Bonds, Series 2024A (the "Bonds") of the Kenton County School District (the "District"), dated September 12, 2024, numbered R-1 upward, and of denominations of $5,000 or any integral multiple thereof. The Bonds mature, bear interest, and are subject to [mandatory and] optional redemption upon the terms set forth therein. We have also examined a specimen Bond.

Based upon this examination, we are of the opinion, based upon the laws, regulations, rulings, and decisions in effect on the date hereof, that:

1. The Bonds constitute valid obligations of the District in accordance with their terms, which, unless paid from other sources, are payable from taxes to be levied by the District, without limitation as to rate.

2. Under the laws, regulations, rulings, and judicial decisions in effect on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Further, interest on the Bonds will not be treated as a specific item of tax preference in computing the federal alternative minimum tax imposed on individuals. In rendering the opinions set forth in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. We express no other opinion as to the federal or state tax consequences of purchasing, holding, or disposing of the Bonds.

3. Interest on the Bonds is not subject to taxation by the Commonwealth of Kentucky, and the Bonds are not subject to ad valorem taxation by the Commonwealth of Kentucky or any political subdivision thereof.

The District has <u>not</u> designated the Bonds as "qualified tax-exempt obligations" with respect to investments by certain financial institutions under Section 265 of the Code.

In rendering this opinion, we have relied upon covenants and certifications of facts, estimates, and expectations made by officials of the District and others contained in the transcript for the Bonds; which we have not independently verified. It is to be understood that the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, and any other laws in effect from time to time affecting creditors' rights generally, and to the exercise of judicial discretion.

Very truly yours,

* Preliminary, subject to change.

APPENDIX F

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") is executed and delivered as of September 12, 2024, by the Kenton County School District (the "Issuer"), in connection with the issuance and delivery of $25,685,000* aggregate principal amount of Kenton County (Kentucky) School District General Obligation Bonds, Series 2024A (the "Obligations"). The Obligations are being issued in accordance with a resolution adopted by Board of Education of the Issuer on August 5, 2024 (the "Authorizing Legislation"). The Issuer hereby certifies, covenants, and agrees as follows:

Section 1. Purpose of this Certificate.

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

Section 2. Definitions; Scope of this Certificate.

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

"Annual Financial Information" means a copy of the annual comprehensive financial report prepared for the Issuer, which shall include, if prepared, a balance sheet, a statement of revenues and expenditures, and a statement of changes in fund balances, generally consistent with the information set forth in Appendix C to the Offering Document. All of such Annual Financial Information shall be prepared using generally accepted accounting principles as applied to governmental units; provided, however, that the Issuer may change the accounting principles used to prepare such Annual Financial Information so long as the Issuer includes, as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change, and explaining how to compare the financial information provided by the differing accounting principles. Any items listed above may be set forth in other documents which have been transmitted to the MSRB, including any Offering Documents of debt issues of the Issuer or any related public entities, or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

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

"Event," with respect to the Obligations, means any of the following events:

(i) Principal and interest payment delinquencies;

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

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

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

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

* Preliminary, subject to change.

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

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

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

(ix) Defeasances;

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

(xi) Rating changes;

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

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

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

(xv) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or any other similar terms of any Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, acceleration event, termination event, modification of terms, or any other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

“Financial Obligation” means (a) any debt obligation; (b) any derivative instrument entered into in connection with, or pledged as security or a source of payment for, any existing or planned debt obligation; or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Holders" means any holder or Beneficial Owner of the Obligations.

"MSRB" means the Municipal Securities Rulemaking Board.

"Offering Document" means the Official Statement dated August 22, 2024.

"Operating Data" means an update of certain operating data of the Issuer, which is limited to the information set forth under the following headings of Appendix B to the Offering Document: "Assessed Value of Property," "Historical Tax Rates," "Tax Receipts," "Top Ten Taxpayers of the District," "Attendance," and "SEEK Funds."

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

"SEC" means the Securities and Exchange Commission.

Section 3. Disclosure of Information.

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

(i) Annual Financial Information and Operating Data. The Annual Financial Information and Operating Data of the Issuer, at least annually, on or before 270 days after the end of each fiscal year ending June 30, commencing with the fiscal year ended June 30, 2024, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Issuer, then the Issuer shall provide the Annual Financial Information and Operating Data to the Disclosure Agent no later than fifteen Business Days before the disclosure date set forth above. The Annual Financial Information and Operating Data may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Issuer may be submitted separately from the other Annual Financial Information.

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

(iii) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the Issuer to provide the Annual Financial Information or Operating Data by the disclosure date required by subsection (A)(ii) of this Section.

(B) Dates Information is to be Provided to the Public. The Annual Financial Information and Operating Data of the Issuer and, subject to the timing requirement set forth in subsection (A)(ii) of this Section, notices of Event occurrences shall be made public on the same day as notice thereof is given to the Holders of the outstanding Obligations, if such notice is required in accordance with the provisions of the Authorizing Legislation or the Obligations, and such information shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(i) Information shall be deemed to have been made public by either the Issuer or the Disclosure Agent under this Certificate if such information is transmitted as provided in subsection (C)(ii) of this Section, by the following means:

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

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

(c) to the SEC, by (1) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (2) first class mail, postage prepaid; provided, however, that the Issuer and the Disclosure Agent are authorized to transmit information to the SEC by any means that are mutually acceptable to the Issuer or the Disclosure Agent, as the case may be, and the SEC.

(ii) The following information shall be transmitted to the following parties:

(a) All information required to be provided to the public under subsection (A) of this Section shall also be transmitted to the MSRB.

(b) All information required to be provided to the public under subsection (A) of this Section shall be made available, upon request therefor, to any Holders of the Obligations, but need not be transmitted to the Holders of the Obligations who do not so request.

(iii) To the extent that the Issuer is obligated to file any Annual Financial Information and Operating Data with the MSRB under this Certificate, such Annual Financial Information and Operating Data may be set forth in a document or a set of documents transmitted to the MSRB or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC.

(iv) The Issuer or the Disclosure Agent may require payment from the Holders of the Obligations in connection with any request from a Holder for any periodic information regarding the finances or operational data of the Issuer or for any information regarding the occurrence of an Event, as provided by subsection (C)(ii)(b) of this Section, by charging any Holder which makes such a request for (1) the reasonable costs incurred by the Issuer or Disclosure Agent in duplicating and transmitting the requested information to such Holder, and (2) the reasonable administrative expenses incurred by the Issuer or Disclosure Agent in providing the requested information to such Holder.

Section 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate to the contrary, the Issuer may amend this Certificate and waive any provision hereof, so long as such amendment or waiver is supported by an opinion of nationally recognized bond counsel with expertise in federal securities laws, stating that such amendment or waiver would not, in and of itself, cause any of the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in the Rule or in the official interpretation thereof, as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination of Certificate. The obligations of the Issuer and the Disclosure Agent, if any, under this Certificate shall terminate when all of the Obligations are, or are deemed to be, no longer outstanding by reason of the redemption or legal defeasance of the Obligations or upon the maturity thereof.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (i) disseminating any other information using the means of dissemination set forth herein or by any other means of communication, or (ii) including any other information, in addition to the information that is required by this Certificate, in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided hereunder. If the Issuer chooses to include any other information in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event in addition to that which is specifically required under this Certificate, the Issuer shall have no obligation hereunder to update any such additional information or to include such information in any future Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided under this Certificate.

(C) Defaults; Remedies. If the Issuer or the Disclosure Agent, if any, fails to comply with any of the provisions of this Certificate, any Holder of the Obligations may take any action as may be necessary and appropriate, including seeking an action in mandamus or for specific performance, to cause the Issuer or the Disclosure Agent, as the case may be, to comply with its respective obligations hereunder. Any default under this Certificate shall not constitute a default on the Obligations, and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Disclosure Agent, if any, the Participating Underwriter, and the Holders or Beneficial Owners of the Obligations and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations.

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

Section 7. Notices.

Any notices or communications to the Issuer may be given as follows:

To the Issuer: Kenton County School District
1055 Eaton Drive
Fort Wright, Kentucky 41017
Attention: Finance Director
Telephone: (859) 344-1531

[Remainder of this page intentionally left blank]

SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

BOARD OF EDUCATION OF THE KENTON COUNTY SCHOOL DISTRICT

By: ____________________________________
Chair

APPENDIX G

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

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

DTC, the world's largest securities 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 under 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 100 countries) that its participants (the "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 the Direct Participants' accounts, which eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers, dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"), which is the holding company for DTC, the National Securities Clearing Corporation, and the Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, including both U.S. and non-U.S. securities brokers, dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with any Direct Participant, either directly or indirectly (the "Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has a rating of AA+ from S&P. The DTC Rules that are applicable to the 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 the Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each, a "Beneficial Owner") is, in turn, to be recorded on the records of the Direct Participants and the Indirect Participants. The Beneficial Owners will not receive written confirmation from DTC of their purchase; provided, however, that the Beneficial Owners are expected to receive written confirmations providing details of such transaction, as well as periodic statements of their holdings, from the Direct Participant or the Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct Participants and the Indirect Participants acting on behalf of the Beneficial Owners. The Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the 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 the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership of the Bonds. 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 Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The conveyance of notices and any other communications by DTC to the Direct Participants, by the Direct Participants to the Indirect Participants, and by the Direct Participants and the Indirect Participants to the 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. The Beneficial Owners may wish to take certain steps to augment the transmission to them of notices of significant events relating to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, the Beneficial Owners may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. Alternatively, the Beneficial Owners may wish to provide their names and addresses to the 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 within a single issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 dividend payments on the Bonds will be made to Cede &. Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown upon DTC's records. All payments by the Participants to the Beneficial Owners will be governed by standing instructions and customary practices, as is the case with any 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 Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the District or the Paying Agent, the disbursement of such payments to Direct Participants will be the responsibility of DTC, and the disbursement of such payments to Beneficial Owners will be the responsibility of the Direct Participants and the Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information contained in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX H

KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$25,685,000*
KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2024A

Notice is hereby given that electronic bids will be received by the Board of Education of the Kenton County School District (the "District"), until 11:00 a.m. E.S.T. on August 22, 2024, at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Frankfort, Kentucky 40601, receive sealed, competitive bids for the bonds of the District described herein (the "Bonds"). In order to be considered, bids must be submitted on an Official Bid Form and delivered to the Secretary of the District at the address indicated, on the date of sale, no later than the hour indicated. Alternatively, electronic bids for the Bonds may be submitted through the BiDCOMP™/PARITY™ system, as described herein. Bids will be opened by the Secretary and may be accepted without further action by the District's Board of Education.

STATUTORY AUTHORITY, PURPOSE OF ISSUE, AND SECURITY

The Bonds are authorized by Sections 66.011 to 66.191, inclusive, of Kentucky Revised Statutes, as amended (the "General Obligation Act"), and Section 160.160 of Kentucky Revised Statutes, as amended, and are being issued under and in accordance with a Bond Resolution adopted by the Board of Education of the District on August 5, 2024 (the "Bond Resolution"). The Bonds are general obligation bonds and constitute a direct indebtedness of the District. The Bonds are secured by the District's ability to levy, and its pledge to levy, an ad valorem tax on all property within the District in a sufficient amount to pay the principal of and interest on the Bonds when due.

The Bonds are being issued for the purposes of (i) financing all or a portion of the costs of acquiring, constructing, installing, and equipping a new central office building, a new virtual learning center, and various other capital improvements to the facilities of the District (collectively, the "Project"); (ii) paying capitalized interest on the Bonds, if desirable; and (iii) paying all or a portion of the costs of issuance of the Bonds.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS, AND PAYING AGENT

The Bonds shall be dated their date of initial issuance and delivery, bearing interest from such date, payable on each March 1 and September 1, commencing March 1, 2025.

The Bonds are scheduled to mature on September 1, in each of the years as follows:

Maturity	Amount*	Maturity	Amount*
September 1, 2025	$[____]	September 1, 2033	$[____]
September 1, 2026	[____]	September 1, 2034	[____]
September 1, 2027	[____]	September 1, 2035	[____]
September 1, 2028	[____]	September 1, 2036	[____]
September 1, 2029	[____]	September 1, 2037	[____]
September 1, 2030	[____]	September 1, 2038	[____]
September 1, 2031	[____]	September 1, 2039	[____]
September 1, 2032	[____]		

The Bonds maturing on or after September 1, 2033 are subject to optional redemption on September 1, 2032 or any date thereafter, in whole or in part, in such order of maturity as shall be designated in writing by the District, and by lot within a maturity, at the election of the District upon thirty-five days' written notice to U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Registrar for

* Preliminary, subject to change.

the Bonds (the "Paying Agent and Registrar") at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

At least thirty days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

BIDDING CONDITIONS AND RESTRICTIONS

The terms and conditions of the sale of the Bonds are as follows:

(i) Bid Form. Bids shall be for the entire issue and shall be made on the Official Bid Form in order to provide for uniformity in submission of bids and ready determination of the lowest and best bid.

(ii) Minimum Bid. Bidders are required to bid for the entire issue of Bonds at a minimum price of not less than $25,171,300 (98% of par), PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

(iii) Award; Adjustment. The determination of the best purchase bid for each of the Bonds will be made on the basis of the lowest true interest rate to be calculated as that rate (or yield) which, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds, as set forth in the Official Bid Form for the Bonds, for exactly $25,685,000 principal amount of Bonds offered for sale hereunder. Upon determination of the lowest true interest rate, the principal amounts of the Bonds shall be immediately adjusted by the District in order to determine the maturities of the final bond issue. The successful bidder will be required to accept the Bonds in the amounts so computed, whether the principal amount has been increased by up to 10% or decreased in an amount deemed by the District to be in the best interest of the District (the "Permitted Adjustment") and to pay the purchase price based upon the aggregate amount of the final issue.

The District also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote the desired annual debt service levels. In the event that the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount of the Bonds, as submitted by the successful bidder, will be held constant. The Underwriter's Discount is defined as the difference between the purchase price of the Bonds submitted by the successful bidder and the price at which the Bonds will be offered to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

(iv) Good Faith Deposit. The successful purchaser shall be required (without further advice from the District) to wire transfer an amount equal to 2% of the par amount of the Bonds to the Paying Agent by the close of business of the day following the award as a good faith deposit. The good faith deposit will be applied (without interest) to the purchase price of the Bonds upon the delivery thereof, and will be forfeited if the purchaser fails to take delivery of the Bonds.

(v) Interest Rates. Interest rates for the Bonds must be in multiples of one-eighth of one percent (0.125%) or one one-hundredth of one percent (0.01%), or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same interest rate. Interest rates must be on an ascending scale, in that the interest rate stipulated for any maturity shall not be less than the interest rate for any preceding maturity. There is no limit on the number of different interest rates. Interest rates may not exceed 5% per annum.

(vi) Submission of Bids. Bids must be made on the Official Bid Form contained in the Official Statement for the Bonds, available from the undersigned or the Independent Registered Municipal Advisor at 147 East Third Street, Lexington, Kentucky 40508, enclosed in sealed envelopes marked "Kenton County School District General Obligation Bonds, Series 2024A."

Bids may alternatively be submitted via the BiDCOMP™/PARITY™ system. All electronic bids for the Bonds must be submitted through the BiDCOMP™/PARITY™ system, and no other provider of electronic bidding services shall be accepted. A subscription to the BiDCOMP™/PARITY™ system is required in order to submit an electronic bid for the Bonds. The District will neither confirm any subscription nor be responsible for the failure of prospective bidders to subscribe. For the purposes of the bidding process, the time maintained by BiDCOMP™/PARITY™ shall constitute the official time with respect to all bids, whether in electronic or written form. All electronic bids made through the BiDCOMP™/PARITY™ facilities shall be deemed an offer to purchase the Bonds in response to the Notice of Bond Sale, and shall be binding upon the bidders as if made by signed, sealed, and written bids delivered to the District. The District shall not be responsible for any mistake or malfunction made by or as a result of the use of the electronic bidding facilities provided and maintained by BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of prospective bidders. To the extent any instructions or directions provided by the BiDCOMP™/PARITY™ system conflict with these Official Terms and Conditions, the terms of these Official Terms and Conditions shall control. For any additional information concerning the BiDCOMP™/PARITY™ system, potential bidders may contact BiDCOMP™/PARITY™ at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing, non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form, as described above.

(vii) Term Bond Option. The purchaser of the Bonds may specify that any of the Bonds maturing in any two or more consecutive years may, in lieu of maturing in each of such years, be combined to comprise a Term Bond, bearing a single rate of interest, maturing in the latest of such years, and subject to mandatory sinking fund redemption at par in each of the years and in the principal amounts of such Bonds comprising such Term Bond, which principal amount shall mature in that year.

(viii) Bond Insurance. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal of and/or interest on the Bonds, the District agrees that it will cooperate with the successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder and the District shall not be liable to any extent therefor.

(ix) DTC. The successful bidder may also elect to notify the Independent Registered Municipal Advisor within twenty-four hours of the award that standard bond certificates be issued. If no such election is made, the Bonds will be delivered using the book-entry only system administered by DTC.

(x) Acceptance of Bid. The District will accept a bid or reject all bids on the date stated at the beginning of these Official Terms and Conditions.

(xi) Right to Reject Bids. The right to reject bids for any reason deemed advisable by the Board of Education of the District and the right to waive any possible informalities or irregularities in any bid which, in the judgment of the District, shall be minor or immaterial is expressly reserved.

(xii) Official Statement. The District will provide the successful purchaser of the Bonds with a Final Official Statement, in accordance with Securities and Exchange Commission Rule 15c2-12, as amended. The Final Official Statement will be provided to the purchaser of the Bonds in electronic form, in sufficient time to meet the delivery requirements of the SEC and the Municipal Securities Rulemaking Board. The purchaser will be required to pay for the printing of the Final Official Statement.

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

(xiv) Rights Reserved. The District reserves the right to reject any and all bids for the Bonds, to waive any informality in any bid, or, upon 24 hours advance notice before the sale date provided through the BiDCOMP™/PARITY™ system, to postpone the sale date of the Bonds. The Bonds are offered for sale subject to the principal of and interest on the Bonds not being subject to federal income taxation nor being subject to Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the purchaser, all in accordance with the final approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, which opinion will be qualified in accordance with the section hereof entitled TAX TREATMENT.

(xv) Independent Registered Municipal Advisor. Bidders are advised that RSA Advisors, LLC, Lexington, Kentucky has been employed as an Independent Registered Municipal Advisor in connection with the issuance of the Bonds. Its fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof.

(xvi) Purchaser Certification. The purchaser of the Bonds shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in substantially the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be necessary or appropriate, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under these Official Terms and Conditions to establish the issue price of the Bonds may be taken on behalf of the District by the District's Independent Registered Municipal Advisor identified herein and any notice or report to be provided to the District shall be provided to the District's Independent Registered Municipal Advisor.

The District intends that the provisions of Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of each of the Bonds (the "competitive sale requirements") because:

(1) the District shall disseminate these Official Terms and Conditions of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth herein.

Any bid submitted pursuant to this these Official Terms and Conditions shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

If the competitive sale requirements are not satisfied, the District shall advise the applicable winning bidder. The District will treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and, if different interest rates apply within any maturity, to each separate CUSIP number within that maturity). Bids will not be subject to cancellation in the event that the District determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids for the Bonds on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, the winning bidder for the Bonds shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate setting forth the hold-the-offering-price rule as the issue price of that maturity, in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) substantially in the form attached hereto as Exhibit A-2, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District, and Bond Counsel.

The District acknowledges that, in making the representations set forth above, the winning bidder will rely on (a) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires; (b) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires; and (c) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid for the Bonds, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires; and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

CONTINUING DISCLOSURE

In accordance with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), the District will execute and deliver a Continuing Disclosure Certificate to be dated the date of issuance of the Bonds (the "Continuing Disclosure Certificate"), the form of which is set forth in "Appendix F – Form of Continuing Disclosure Certificate" hereto, for the benefit of all parties who may become registered owners or beneficial owners of the Bonds from time to time. Under the Continuing Disclosure Certificate, so long as the Bonds remain outstanding, the District will agree to comply with the provisions of the Rule by causing the following the following information to be provided:

(i) to the Municipal Securities Rulemaking Board (the "MSRB"), or to any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system, as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the SEC, for each fiscal year of the District, certain annual financial information and operating data for the District (the "Annual Financial Information"), generally consistent with (i) the financial information and operating data of the District set forth under the following headings of Appendix B to the

Official Statement: "Assessed Value of Property," "Historical Tax Rates," "Tax Receipts," "Top Ten Taxpayers of the District," "Attendance," and "SEEK Funds," and (ii) the audited financial statements of the District set forth in Appendix C to the Official Statement. The Annual Financial Information shall be provided annually, no later than 270 days after the end of the fiscal year ending on the preceding June 30, commencing with the fiscal year ended June 30, 2024, provided, however, that the audited financial statements may not be available by such date, but shall be made available immediately upon delivery thereof by the auditors for the District; and

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

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions, issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or any other material events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;
(h) Bond calls, if material, and tender offers (except for any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution, or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Bankruptcy, insolvency, receivership, or other similar event of the District (Note: This event is considered to occur upon the occurrence of any of the following: The appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or under any other state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession of such assets or business, but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
(m) The consummation of any merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than in accordance with its terms, if material;
(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(o) Incurrence of a Financial Obligation of the District, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms

of a Financial Obligation of the District, any of which affect its security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or any other similar events under the terms of any Financial Obligation of the District, any of which reflect financial difficulties.

(iii) in a timely manner, to the MSRB through EMMA, notice of a failure (of which the District has knowledge) of the District to provide the required Annual Financial Information on or before the date specified in the Continuing Disclosure Certificate.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC.

The Continuing Disclosure Certificate provides bondholders, including the beneficial owners of the Bonds, with certain enforcement rights in the event of failure by the District to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Continuing Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein.

For purposes of this transaction with respect to events as set forth in the Rule:

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

(b) there are no liquidity providers applicable to the Bonds; and

(c) there is no property securing the repayment of the Bonds.

The District intends to file all future Annual Financial Information within the time requirements set forth in the Continuing Disclosure Certificate and has adopted policies and procedures to ensure the timely filing thereof, including retaining Dinsmore & Shohl LLP, to serve as disclosure agent to the District. The District's policies and procedures are available to the public upon request.

TAX TREATMENT

In the opinion of Bond Counsel for the Bonds, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds will be excludible from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code") and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Further, Bond Counsel is of the opinion that interest on the Bonds is exempt from income taxation and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

The District has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

A copy of the approving legal opinion of Bond Counsel for the Bonds is set forth in Appendix E to the Official Statement.

The Code imposes various restrictions, conditions, and requirements with respect to the exclusion of interest on certain obligations, including the Bonds, from gross income for federal income tax purposes. The

District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes. Any failure to comply with these covenants could result in the interest on the Bonds being includable in gross income for federal income tax purposes, and such inclusion could be required retroactively to the date of issuance of the Bonds. The approving legal opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or any events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bonds and any other documents related thereto may be changed, and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Bonds or such other documents. Bond Counsel expresses no opinion as to any Bonds or the tax status of the interest thereon if any such change occurs or any such action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel is of the opinion that the interest on the Bonds will be excludable from gross income for federal income tax purposes and that interest on the Bonds will be excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with its tax counsel with respect to the effects of the purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership, or disposition of the Bonds may result in other collateral federal, state, or local tax consequences for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code; increasing the federal tax liability of certain insurance companies under Section 832 of the Code; increasing the federal tax liability and affecting the status of certain S Corporations subject to Section 1362 and Section 1375 of the Code; increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code; and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain taxpayers under Section 265 of the Code. Finally, the residence of a bondholder in a state other than Kentucky or a bondholder being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed on such bondholder by such states or their political subdivisions based on the interest or other income from the Bonds.

BOARD OF EDUCATION OF THE KENTON
COUNTY SCHOOL DISTRICT

By: ___________________________________
Chair

EXHIBIT A-1
TO
OFFICIAL TERMS AND CONDITIONS OF BOND SALE

FORM OF ISSUE PRICE CERTIFICATE

[In case of receipt of at least three qualified bids for the Bonds]

ISSUE PRICE CERTIFICATE

Dated September 12, 2024

Re: $25,685,000* Kenton County (Kentucky) School District General Obligation Bonds, Series 2024A, dated September 12, 2024

The undersigned, on behalf of [Underwriter Name] (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds").

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule I attached hereto (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. A true and correct copy of the bid provided by the Underwriter to purchase the Bonds is attached hereto as Schedule II.

(b) The Underwriter was not given the opportunity to review any other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. Yield on the Bonds. It computed the yield on the Bonds, [Yield]%, as that yield (determined on the basis of semiannual compounding) which, when used in computing the present worth of all payments of principal and interest to be made with respect to particular obligations, produces an amount equal to their purchase price, which, in the case of the Bonds, is the Expected Offering Prices, determined without taking into account issuance expenses and Underwriter's discount.

3. Weighted Average Maturity. The weighted average maturity of the Bonds has been calculated to be [WAM] years. The weighted average maturity is the sum of the products of the respective Expected Offering Price of each Maturity and the number of years to maturity (determined separately for each Maturity and by taking into account mandatory redemptions), divided by the aggregate Expected Offering Prices of the Bonds as of the date hereof.

4. Defined Terms.

(a) "Issuer" means the Kenton County School District.

(b) "Maturity" means any 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.

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* Preliminary, subject to change.

(c) “Public” means a person (including an individual, a trust, an estate, a partnership, a company, an association, or a corporation) other than an Underwriter or any related party to an Underwriter. The term “related party,” for the 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 August 22, 2024.

(e) “Underwriter” means (i) any person that agrees, under a written contract with the Issuer (or 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, under 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).

The representations set forth in this certificate are limited to factual matters only. Nothing contained in this certificate represents the Underwriter’s interpretation of any laws, including, specifically, Section 103 and Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations issued thereunder. The Underwriter understands that the information set forth in this certificate will be relied upon (i) by the Issuer with respect to certain representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and (ii) by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and any other federal income tax advice that it may give to the Issuer from time to time in connection with the Bonds.

[UNDERWRITER NAME]

By: ___________________________________

Name: _________________________________

Title: _________________________________

SCHEDULE I
TO
ISSUE PRICE CERTIFICATE

EXPECTED OFFERING PRICES

(See attachment)

SCHEDULE II
TO
ISSUE PRICE CERTIFICATE

COPY OF BID

(See attachment)

EXHIBIT A-2
TO
OFFICIAL TERMS AND CONDITIONS OF BOND SALE

FORM OF ISSUE PRICE CERTIFICATE

[In case of receipt of less than three qualified bids for the Bonds]

ISSUE PRICE CERTIFICATE

Dated September 12, 2024

Re: $25,685,000* Kenton County (Kentucky) School District General Obligation Bonds, Series 2024A, dated September 12, 2024

The undersigned, [Underwriter Name] (the "Transaction Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned bonds (the "Bonds").

1. Issue Price.

(a) As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I attached hereto (the "Sale Price," as applicable to each Maturity of the General Rule Maturities).

(b) The Transaction Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I attached hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(c) As set forth in the Official Terms and Conditions of Bond Sale, the Transaction Underwriter has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such 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 (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to such third-party distribution agreement, in either case, to comply with the hold-the-offering-price rule. Under the Official Terms and Conditions of Bond Sale, any selling group agreement, or any third-party distribution agreement, no Underwriter (as defined herein) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(d) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is $[Issue Price] (the "Issue Price").

2. Yield on the Bonds. It computed the yield on the Bonds, [Yield]%, as that yield (determined on the basis of semiannual compounding) which, when used in computing the present worth of all payments of principal and interest to be made with respect to particular obligations, produces an amount equal to their purchase price, which, in the case of the Bonds, is the Issue Price, determined without taking into account issuance expenses and Underwriter's discount.

* Preliminary, subject to change.

3. Weighted Average Maturity. The weighted average maturity of the Bonds has been calculated to be [WAM] years. The weighted average maturity is the sum of the products of the respective Sale Price of each Maturity and the number of years to maturity (determined separately for each Maturity and by taking into account mandatory redemptions), divided by the aggregate Sale Price of the Bonds as of the date hereof.

4. Defined Terms.

(a) "General Rule Maturities" means those Maturities of the Bonds listed as the "General Rule Maturities" in Schedule I attached hereto.

(b) "Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed as "Hold-the-Offering Price Maturities" in Schedule I attached hereto.

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

(d) "Issuer" means the Kenton County School District.

(e) "Maturity" means any 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.

(f) "Official Terms and Conditions of Bond Sale" means the Official Terms and Conditions of Bond Sale prepared for distribution to potential bidders before the Sale Date of the Bonds.

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

(h) "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 August 22, 2024.

(i) "Underwriter" means (i) any person that agrees, under a written contract with the Issuer (or 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, under 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).

The representations set forth in this certificate are limited to factual matters only. Nothing contained in this certificate represents the Transaction Underwriter's interpretation of any laws, including, specifically, Section 103 and Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations issued thereunder. The Transaction Underwriter understands that the foregoing information will be relied upon (i) by the Issuer with respect to certain representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and (ii) by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and any other federal income tax advice that it may give to the Issuer from time to time in connection with the

Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[TRANSACTION UNDERWRITER NAME]

By: ____________________________________

Name: __________________________________

Title: __________________________________

SCHEDULE I
TO
ISSUE PRICE CERTIFICATE

SALE PRICES OF THE GENERAL RULE MATURITIES AND

INITIAL OFFERING PRICES OF THE BONDS

General Rule Maturities

Maturity Date	Principal Amount	Interest Rate	Actual Sale Price of First 10%	Issue Price	CUSIP

Hold-the-Offering-Price Maturities

Maturity Date	Principal Amount	Interest Rate	Initial Offering Price	Issue Price	CUSIP

SCHEDULE II
TO
ISSUE PRICE CERTIFICATE

COPY OF PRICING WIRE

(See attachment)

APPENDIX I

**KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024A**

OFFICIAL BID FORM

OFFICIAL BID FORM
KENTON COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2024A

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for \$25,685,000* principal amount of General Obligation Bonds, Series 2024A (the "Bonds"), dated their date of initial issuance and delivery, offered for sale by the Kenton County School District (the "District") in accordance with the Preliminary Official Statement dated August 15, 2024 and the related Notice of Bond Sale, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Bonds.

We hereby bid for the \$25,685,000* principal amount of the Bonds, the total sum of \$____________ (not less than \$25,171,300) at the following annual rate(s), payable semiannually (rates of any maturity may be less than any preceding maturity, number of interest rates unlimited):

Maturity	Amount*	Interest Rate	Maturity	Amount*	Interest Rate
September 1, 2025	\$100,000	________%	September 1, 2033	\$2,030,000	________%
September 1, 2026	\$100,000	________%	September 1, 2034	\$2,110,000	________%
September 1, 2027	\$570,000	________%	September 1, 2035	\$2,375,000	________%
September 1, 2028	\$595,000	________%	September 1, 2036	\$2,565,000	________%
September 1, 2029	\$1,295,000	________%	September 1, 2037	\$2,670,000	________%
September 1, 2030	\$1,530,000	________%	September 1, 2038	\$3,010,000	________%
September 1, 2031	\$1,765,000	________%	September 1, 2039	\$3,135,000	________%
September 1, 2032	\$1,835,000	________%			

The Bonds maturing in the following years: _______________ are sinking fund redemption amounts for term bonds due ________________. The Bonds maturing in the following years: _______________ are sinking fund redemption amounts for term bonds due ________________.

Bids may be submitted electronically via BiDCOMP™/PARITY™ pursuant to this Notice until the appointed date and time, but no bid will be received after such time. Notwithstanding the foregoing, completed bid forms may be submitted until the appointed date and time (i) in a sealed envelope marked "Official Bid for Bonds" or (ii) by facsimile transmission, in each case delivered to the office of the Executive Director of the Kentucky School Facilities Construction, 700 Louisville Road, Frankfort, Kentucky 40601. Neither the District nor the Independent Registered Municipal Advisor assumes any responsibility whatsoever with regard to the receipt of bids, or that adequate personnel or equipment are available to accept all facsimile transfers of bids before the appointed date and time of sale. Bidders have the sole responsibility of assuring that their bids have been received via facsimile or have been delivered before the appointed date and time of sale. Any bids in progress by facsimile at the appointed time will be considered as received by the appointed time. No bids will be received via telephone.

We understand this bid may be accepted with variations in maturing amounts at the same price per \$1,000 of Bonds, with the variation in such amount occurring in any maturity of all maturities, such variations to be determined by the District at the time of acceptance of the best bid.

It is understood that the District will furnish the final, approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, Covington, Kentucky.

No certified or bank cashier's check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close

* Preliminary, subject to change.

of business on the day following the award. The good faith amount will be applied (without interest) to the purchase price when the Bonds are tendered for delivery.

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

Respectfully submitted,

____
Bidder

____
Address

By: ______________________________________
Signature

Total interest cost: Date of Delivery (estimated to be September 12, 2024) to Final Maturity	$________________
(Less Premium) or Plus Discount, if any	$________________
Aggregate interest cost	$________________
True interest cost (i.e. TIC)	_______________%

The above computation of true interest cost is submitted for information only and is not a part of this Bid.

Accepted by the Chair of the Board of Education of the Kenton County (Kentucky) School District for $_________________ principal amount of Bonds at the price of $_______________ as follows:

Maturity	Amount	Interest Rate	Maturity	Amount	Interest Rate
September 1, 2025	$________	______%	September 1, 2033	$________	______%
September 1, 2026	$________	______%	September 1, 2034	$________	______%
September 1, 2027	$________	______%	September 1, 2035	$________	______%
September 1, 2028	$________	______%	September 1, 2036	$________	______%
September 1, 2029	$________	______%	September 1, 2037	$________	______%
September 1, 2030	$________	______%	September 1, 2038	$________	______%
September 1, 2031	$________	______%	September 1, 2039	$________	______%
September 1, 2032	$________	______%			

____
Chair, Board of Education
Kenton County School District

Dated: August 22, 2024