THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION, OR AMENDMENT, WITHOUT NOTICE. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY THESE SECURITIES BE ACCEPTED BEFORE THE OFFICIL STATEMENT IS DELIVERED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY OFFICIAL STATEMENT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE A SALE OF, THESE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION. OR SALE WOULD BE UNLAWFUL BEFORE REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 30, 2024

Book-Entry Only
New Issue – Bank Qualified

Rating: "   " Moody's (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.

$5,505,000*
TAYLOR COUNTY (KENTUCKY) SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2024

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

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

Maturing 1-Dec	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Dec	Amount*	Interest Rate	Reoffering Yield	CUSIP
2025	$80,000	%	%		2035	$280,000	%	%	
2026	$80,000	%	%		2036	$295,000	%	%	
2027	$85,000	%	%		2037	$305,000	%	%	
2028	$85,000	%	%		2038	$320,000	%	%	
2029	$90,000	%	%		2039	$330,000	%	%	
2030	$95,000	%	%		2040	$345,000	%	%	
2031	$95,000	%	%		2041	$360,000	%	%	
2032	$100,000	%	%		2042	$725,000	%	%	
2033	$110,000	%	%		2043	$790,000	%	%	
2034	$115,000	%	%		2044	$820,000	%	%	

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 Steptoe & Johnson PLLC, Louisville, Kentucky, as Bond Counsel. The Bonds are expected to be available for delivery on or about November 26, 2024.

RSA advisors

* Preliminary, subject to change.

TAYLOR COUNTY BOARD OF EDUCATION

David Hall,
Chair

Jason Cox,
Vice Chair

Misty Hafley,
Member

Tommy Raikes,
Member

(Vacant),
Member

Charles Higdon, Jr.,
Superintendent

Jeremy Wood,
Treasurer

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, 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 Taylor County (Kentucky) School District, and "Commonwealth" or "Kentucky" means the Commonwealth of Kentucky.

TABLE OF CONTENTS

$5,505,000*
TAYLOR COUNTY (KENTUCKY) SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
SERIES 2024

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 $5,505,000* aggregate principal amount of General Obligation Bonds, Series 2024 (the "Bonds") of the Taylor 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 Taylor County (Kentucky) School District (the "District"), a school district and political subdivision of the Commonwealth of Kentucky. The District is located in Taylor 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 October 14, 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"), and (ii) 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 November 26, 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 Steptoe & Johnson PLLC, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222. 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.

---

* Preliminary, subject to change.

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 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 June 1 and December 1, commencing June 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 June 1 and December 1 interest payment date shall be the preceding May 1 and November 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 October 14, 2024 (the "Bond Resolution").

Redemption Provisions

Optional Redemption. The Bonds maturing on and after December 1, 2033, shall be subject to optional redemption on December 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 December 1, 20[__]

Date	Amount
December 1, 20__	$
December 1, 20__	$
December 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"), and (ii) 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.

ESTIMATED 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 Taylor 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
David Hall, Chair	January 1, 2011	December 31, 2026
Jason Cox, Vice Chair	January 1, 2017	December 31, 2024
Misty Hafley, Member	August 1, 2023	December 31, 2024
Tommy Raikes, Member	January 1, 2019	December 31, 2024
(Vacant), Member		

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. <u>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</u>.

Revenue Sources within the District

<u>General Property and Motor Vehicle Tax</u>

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 "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.

FSPK Program

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

Homestead Exemption

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.

Limitation on Taxation

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 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 $28,456,040, and the District's net debt subject to such limit presently outstanding (including the Bonds) is $5,505,000[*], leaving a balance of approximately $22,951,040[*] 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.

[*] Preliminary, subject to adjustment.

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 Steptoe & Johnson PLLC, 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 Steptoe & Johnson PLLC. 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, Steptoe & Johnson PLLC 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 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 Steptoe & Johnson PLLC.

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 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: "Outstanding Bonds", "Bond Debt Service", "District Student Population", "Local Support – Local Tax Rates, Property Assessment and Revenue Collections and SEEK Allotment", 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 9 months 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 1209 E. Broadway, Campbellsville, Kentucky 42718, Telephone: (270) 465-5371.

RATING

As noted on the cover page of this Official Statement, Moody's Investors Service, Inc. ("Moody's") has assigned 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.

TAYLOR COUNTY (KENTUCKY) SCHOOL DISTRICT

By: /s/ David Hall
Chair

APPENDIX A

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

ESTIMATED DEBT SERVICE REQUIREMENTS FOR THE BONDS

ESTMATED DEBT SERVICE REQUIREMENTS FOR THE BONDS

Fiscal Year Ending June 30	Current Local Bond Payments	----- Series 2024 School Building Revenue Bonds ------ (100% Local)			Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	
2024	$2,584,818				$2,584,818
2025	$2,513,535		$116,446	$116,446	$2,629,981
2026	$2,512,407	$80,000	$225,218	$305,218	$2,817,624
2027	$2,510,256	$80,000	$222,458	$302,458	$2,812,713
2028	$2,515,980	$85,000	$219,611	$304,611	$2,820,591
2029	$2,513,940	$85,000	$216,679	$301,679	$2,815,619
2030	$2,509,174	$90,000	$213,660	$303,660	$2,812,834
2031	$2,511,927	$95,000	$210,445	$305,445	$2,817,372
2032	$2,511,349	$95,000	$207,096	$302,096	$2,813,445
2033	$2,509,097	$100,000	$203,585	$303,585	$2,812,682
2034	$2,508,331	$110,000	$199,753	$309,753	$2,818,084
2035	$2,505,013	$115,000	$195,646	$310,646	$2,815,659
2036	$1,864,639	$280,000	$188,158	$468,158	$2,332,796
2037	$1,864,943	$295,000	$177,089	$472,089	$2,337,031
2038	$1,866,075	$305,000	$165,310	$470,310	$2,336,385
2039	$1,867,603	$320,000	$152,810	$472,810	$2,340,413
2040	$1,865,960	$330,000	$139,563	$469,563	$2,335,523
2041	$1,864,110	$345,000	$125,298	$470,298	$2,334,408
2042	$1,864,749	$360,000	$110,086	$470,086	$2,334,835
2043	$145,950	$725,000	$86,487	$811,487	$957,437
2044		$790,000	$53,381	$843,381	$843,381
2045		$820,000	$18,040	$838,040	$838,040
TOTALS:	$43,409,855	$5,505,000	$3,446,816	$8,951,816	$52,361,671

APPENDIX B

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

TAX BASE, OPERATING, AND DEMOGRAPHIC DATA OF THE DISTRICT

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

TAX BASE, OPERATING, AND DEMOGRAPHIC DATA

Campbellsville, Kentucky, the county seat of Taylor County, is located in South-Central Kentucky, 86 miles southeast of Louisville, and 87 miles southwest of Lexington. Campbellsville had a population of 11,338 in 2023. Taylor County's 2023 population was 26,518.

The Economic Framework

In 2023, Taylor County had a labor force of 12,931 people with an unemployment rate of 4.40%. The top five jobs by occupation were as follows: (1) office and administrative support – 957 (11.03%), (2) sales – 928 (10.69%), (3) executive managers and administrators – 816 (9.40%), (4) education, training/library – 727 (8.38%), and (5) production workers – 720 (8.30%).

Transportation

Residents spend an average of 19 minutes commuting to work. Taylor County is served by 18 airports within 50 miles. Rail can be accessed within 13 miles, and Interstate Highways can be accessed 15 miles away.

TAX BASE INFORMATION

Assessed Value of Property

Fiscal Year	Total
2020	$1,024,839,255
2021	$1,077,529,028
2022	$1,181,169,948
2023	$1,237,044,022
2024	$1,331,120,938

Source: Kentucky Department of Education – SEEK Calculation

Historical Tax Rates

Fiscal Year	Real Estate	Tangible	Motor Vehicle
2020	31.946	39.3196	27.450
2021	31.050	37.670	27.450
2022	31.450	38.880	27.450
2023	30.750	35.410	27.450
2024	N/A	N/A	27.450

Source: Kentucky Department of Revenue

Top Ten Taxpayers of the District

The following tables lists the ten largest real property taxpayers of the County as reported by the Taylor County Property Valuation Administrator for the calendar year 2024.

Taxpayer	Real Property Assessment ($)
1751 Old Columbia LLC	14,110,000
Wal-Mart Real Estate Business	8,230,000
J & H Hospitality LLC	7,475,000
INFAC North America	6,500,000
Bluegrass Village of Campbellsville	4,892,000
Integra-College Station	3,334,000
CNRF Realty LLC	3,250,520
MCWANE Inc.	3,000,000
Selbra Holdings LLC	2,875,000
Hills Wings LLC	2,792,000

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
2012-REF	$1,840,000	$0	$1,840,000	$0	1.850%	2024
2015	$45,585,000	$30,570,000	$25,225,969	$20,359,031	3.000% - 3.250%	2035
2016	$2,585,000	$1,635,000	$2,521,171	$63,829	2.000% - 2.750%	2036
2019 Rev & Energy	$4,245,000	$3,710,000	$4,245,000	$0	2.000% - 2.625%	2039
2020	$1,680,000	$1,050,000	$1,680,000	$0	2.000%	2030
2022	$8,430,000	$8,410,000	$8,243,099	$186,901	3.750% - 4.000%	2042
2023	$1,115,000	$1,040,000	$1,115,000	$0	3.600% - 4.250%	2043
TOTALS:	$65,480,000	$46,415,000	$44,870,239	$20,609,761		

Overlapping Indebtedness

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Taylor			
General Obligation	34,685,000	18,202,244	16,482,756
Justice Center Refunding Revenue	9,080,000	4,085,000	4,995,000
City of Campbellsville			
General Obligation	4,890,000	1,986,249	2,903,751
Water & Sewer Revenue	3,870,000	1,023,500	2,846,500
Improvement Project Revenue	1,064,000	194,200	869,800
Refinancing Lease Revenue	9,750,000	2,535,000	7,215,000
Special Districts			
Taylor County Hospital District	1,687,515	1,350,012	337,503
Taylor County Public Health Taxing District	2,500,000	1,015,000	1,485,000
Totals:	67,526,515	30,391,205	37,135,310

Attendance

School Year	Average Daily Attendance
2020-21	2,385
2021-22	2,480
2022-23	2,480
2023-24	2,452

Source: Kentucky Department of Education

SEEK Funds

	-------------------------------- Fiscal Year --------------------------------				
Description	**2020**	**2021**	**2022**	**2023**	**2024**
SEEK Funds	$9,009,642	$8,213,387	$8,877,133	$8,979,165	$8,981,766
FSPK Funds	$512,420	$538,765	$590,585	$618,522	$665,560
Capital Outlay Allotments	$240,273	$238,508	$248,019	$248,019	$245,216

Source: Kentucky Department of Education

DEMOGRAPHIC DATA

Population

Description	2020	2021	2022	2023
Campbellsville	9,953	11,072	11,643	11,338
Taylor County	25,692	26,028	26,662	26,543

Source: Kentucky State Data Center, University of Louisville

Population Projections

Description	2025	2030	2035	2040
Taylor County	26,434	26,789	27,106	27,445

Source: Kentucky State Data Center, University of Louisville

Unemployment Rate (%)

Year	Taylor County	Kentucky	United States
2019	4.0	4.1	3.7
2020	5.9	6.5	8.1
2021	3.8	4.5	5.3
2022	3.8	4.0	3.6
2023	3.8	4.2	3.6

Source: Kentucky Center for Statistics

APPENDIX C

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

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

TAYLOR COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITOR'S REPORT

Year ended June 30, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS

WISE, BUCKNER, SPROWLES
& ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

GREGORY S. WISE, CPA
JEFFREY G. SPROWLES, CPA
MATTHEW S. HAZEL, CPA
SHIRLEY M. BUCKNER, CPA

INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Taylor County School District
Campbellsville, 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 Taylor County School District (the "District") as of and for the year then ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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 Taylor 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 Tylor County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

301 E. MAIN STREET • P.O. BOX 1083 • CAMPBELLSVILLE, KY 42719-1083 • (270) 465-6842 • FAX (270) 465-7703
E-Mail: wbscpa@wbscpas.com • www.wbscpas.com
MEMBERS: AICPA • KYCPA

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 Taylor 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 Taylor County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of District's proportionate share of net pension liabilities, net OPEB liabilities, and schedules of required contributions on Pages 4 through 8 and 39 through 54 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Taylor County School District's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of the Taylor County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Taylor County School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taylor County School District's internal control over financial reporting and compliance.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 13, 2023

TAYLOR COUNTY SCHOOL DISTRICT
CAMPBELLSVILLE, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2023

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

FINANCIAL HIGHLIGHTS

- The beginning unassigned fund balance for the District's General Fund was $4,812,811 as compared to $5,126,455for the year ending balance on June 30, 2023.
- A continued effort focuses on purchasing in the areas of supplies, food, energy and travel resulting in savings due to management strategies.
- Interest income earned in FY 2023 was $187,006 as compared to $27,047 in 2022. Total revenue increased by 25.5 percent for all governmental funds from $37,433,135 in FY 22 to $47,014,385 in FY 23.
- SEEK funding reported in the district's general fund in FY 2023 was $11,253,131. The amount of SEEK received in FY 2022 was $10,813,426. There was a 4% increase in SEEK during 2023 in comparison with FY 2022.
- The General Fund had $32,270,806 (including the beginning balance) in revenue, which primarily consisted of the state program (SEEK), property, local occupational license taxes, utilities and motor vehicle taxes. Excluding inter-fund transfers of $55,573, there was $27,584,884 in General Fund expenditures.
- Bonds are issued as the district renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The district's total principal bonded indebtedness increased by $1,495,000 during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 9-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental and proprietary funds. 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 12-15 of this report.

Notes to the financial statements- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-39 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

Net Position for the Period Ending June 30, 2023 and 2022:

	2023	2022
Assets:		
Current Assets	$ 16,940,542	$ 16,461,193
Capital Assets	77,421,651	70,612,400
Other assets	248,705	245,058
Total Assets	94,610,898	87,318,651
Deferred Outflows of Resources		
CERS	7,163,372	4,317,685
KTRS	3,947,088	1,651,365
Total deferred outflows of resources	11,110,460	5,969,050
Liabilities:		
Current Liabilities	6,653,606	5,768,061
Noncurrent Liabilities	71,501,466	66,690,051
Total Liabilities	78,155,072	72,458,112
Deferred Inflows of Resources		
CERS	3,529,460	3,467,431
KTRS	2,718,000	2,916,000
Total deferred inflows of resources	6,247,460	6,383,431
Net Position		
Net Investment in Capital Assets	27,305,933	19,071,869
Restricted	(1,751,010)	(1,607,891)
Unrestricted	(4,236,097)	(3,017,820)
Total Net Position	$ 21,318,826	$ 14,446,158

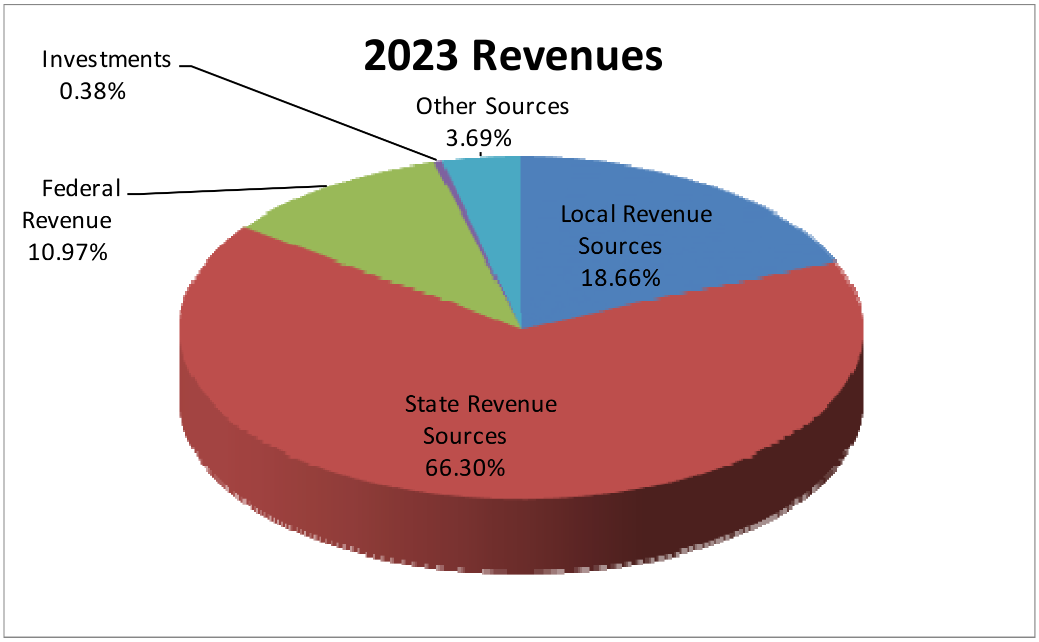
COMMENTS ON BUDGET COMPARISONS

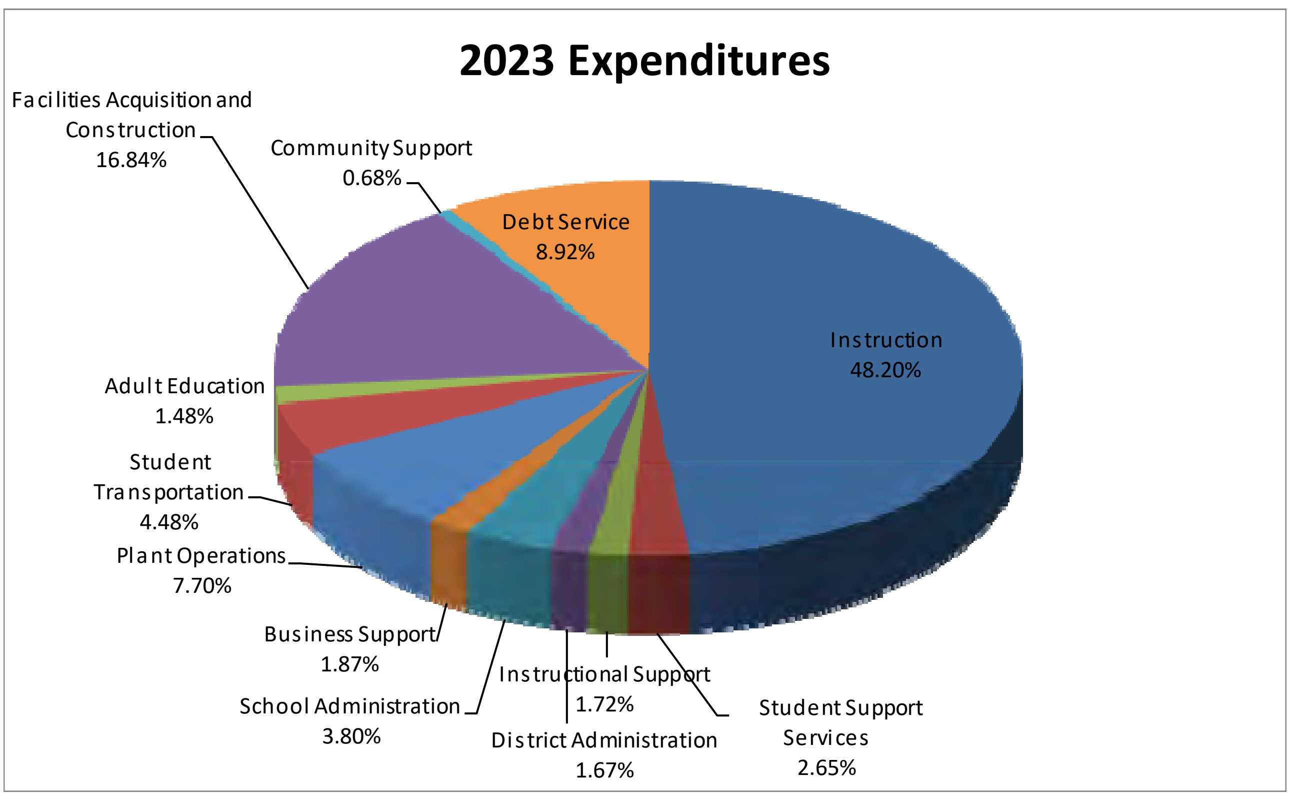
- The District's total revenues for the fiscal year ended June 30, 2023, net of inter-fund transfers and on-behalf payments, were $23,196,785.
- General fund budget compared to actual revenue (net of unbudgeted on-behalf payments) varied from line item to line item with the ending actual balance being $2,767,181 more than budget.
- General fund final actual expenditures were $2,033,646 less than budget.

The following table presents a summary of revenue and expenditures for the fiscal year ended June 30, 2023 and 2022:

	2023	2022
Revenues:		
Local Revenue Sources	$ 8,772,709	$ 8,110,262
State Revenue Sources	31,170,535	21,519,457
Federal Revenue	5,157,450	6,011,561
Investments	180,006	27,047
Other Sources	1,733,685	1,764,808
Total Revenues	47,014,385	37,433,135
Expenditures:		
Instruction	23,313,976	22,585,452
Student Support Services	1,281,287	898,094
Instructional Support	830,561	700,652
District Administration	806,768	781,374
School Administration	1,835,861	1,740,319
Business Support	903,304	985,063
Plant Operations	3,726,311	3,835,759
Student Transportation	2,165,627	1,986,093
Adult Education	714,087	-
Facilities Acquisition and Construction	8,145,131	1,045,946
Community Support	328,360	253,891
Debt Service	4,316,144	3,960,779
Total Expenditures	48,367,417	38,773,422
Excess (Deficit) of Revenues Over Expenditures	$ (1,353,032)	$ (1,340,287)

The following pie charts are included as additional illustrations of the District's revenues and expenses for the year ended June 30, 2023.





GENERAL FUND REVENUE SOURCES

General fund receipts in FY 2023 were derived from three sources: local taxes account for 19 percent of all revenue; state sources were responsible for 66 percent of general fund revenue; federal sources totaled 11 percent; and an additional 4 percent came from investment income, the sale of property and other miscellaneous fees.

GENERAL FUND EXPENDITURE CATEGORIES

General Fund expenditures in FY 2023 were spread among more than one dozen functions.

Expenditure Category	**Percent**
Instructional Activities (*teachers, instructional assistants, instructional supplies, materials & equipment)*	59.3
Plant Operations	13.2
Student Transportation	7.9
School Administration Support (principal's offices)	5.9
Student Support Services (*pupil attendance, guidance, social work, health, psychologist, speech pathologists, occupational and physical therapy, services for the visually impaired)*	4.4
Instructional Staff Support	2.5
District Administration Support (*board of ed, office of superintendent*)	2.9
Business Support Services	3.2
Community Services, Site Improvement, Debt Service & Fund Transfers (*Local Technology Match*)	0
Other Services	0.7

BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2 percent contingency. The district adopted a budget with $3,600,000 in contingency (11% of the entire budget). The beginning cash balance for beginning the fiscal year was $5,956,985.

Questions regarding this report should be directed to the Superintendent (270-465-5371) or to the Finance Officer (270-465-5371) or by mail at 1209 East Broadway, Campbellsville, KY 42718**.**

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets:			
Current Assets:			
Cash & cash equivalents	$ 14,626,804	$ 490,843	$ 15,117,647
Cash & cash equivalents, restricted	-	-	-
Inventory	-	77,906	77,906
Accounts receivable			
Taxes current	359,316	-	359,316
Other accounts receivable	97,183	-	97,183
Intergovernmental -state	110,893	-	110,893
Intergovernmental -indirect federal	1,163,578	-	1,163,578
Current portion bond discount, net	14,019	-	14,019
Total current assets	16,371,793	568,749	16,940,542
Noncurrent Assets:			
Land and other non-depreciable assets	11,574,608	-	11,574,608
Capital assets net of accumulated depreciation and amortization	65,808,654	38,389	65,847,043
Bond discount, net	248,705	-	248,705
Total noncurrent assets	77,631,967	38,389	77,670,356
Total assets	94,003,760	607,138	94,610,898
Deferred outflows of resources			
CERS OPEB	2,185,180	332,392	2,517,572
KTRS OPEB	3,947,088	-	3,947,088
CERS	4,028,794	617,006	4,645,800
Total deferred outflows of resources	10,161,062	949,398	11,110,460

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION - CONTINUED
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Liabilities:			
Current Liabilities:			
Accounts payable	$ 801,895	$ 2,584	$ 804,479
Accrued interest payable	481,551	-	481,551
Other accrued liabilities	1,778,024	-	1,778,024
Current portion of bond obligations	2,760,000	-	2,760,000
Current portion of capital lease	175,473	-	175,473
Current portion of accrued sick leave	249,684	-	249,684
Current portion of bond premium, net	1,097	-	1,097
Unearned revenue	403,298	-	403,298
Total current liabilities	6,651,022	2,584	6,653,606
Noncurrent liabilities:			
Noncurrent portion of bond obligations	46,660,080	-	46,660,080
Noncurrent portion of capital lease	770,182	-	770,182
Noncurrent portion of accrued sick leave	471,506	-	471,506
Bond premium, net	11,610	-	11,610
Net OPEB liability-CERS	3,233,680	495,235	3,728,915
Net OPEB liability-KTRS	6,198,000	-	6,198,000
Net pension liability	11,846,840	1,814,333	13,661,173
Total noncurrent liabilities	69,191,898	2,309,568	71,501,466
Total liabilities	75,842,920	2,312,152	78,155,072
Deferred Inflows of Resources			
OPEB-CERS	1,646,922	252,225	1,899,147
OPEB-KTRS	2,718,000	-	2,718,000
CERS	1,413,792	216,521	1,630,313
Total deferred inflows of resources	5,778,714	468,746	6,247,460
Net Position			
Net investment in capital assets	27,267,544	38,389	27,305,933
Restricted for:			
Inventories	-	77,906	77,906
Food Service	-	-	-
Other	-	(1,828,916)	(1,828,916)
Unrestricted	(4,724,356)	488,259	(4,236,097)
Total net position	$ 22,543,188	$ (1,224,362)	$ 21,318,826

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
for the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expense	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Functions/Programs							
Governmental Activities:							
Instruction	$ 17,838,543	$ -	$ 5,877,604	$ -	$(11,960,939)	$ -	$(11,960,939)
Support Services							
Student	1,281,287	-	57,221	-	(1,224,066)	-	(1,224,066)
Instruction Staff	830,561	-	128,180	-	(702,381)	-	(702,381)
District Administrative	851,060	-	-	-	(851,060)	-	(851,060)
School Administrative	1,835,861	-	200,255	-	(1,635,606)	-	(1,635,606)
Business Support Services	903,304	-	18,408	-	(884,896)	-	(884,896)
Plant Operation and Maintenance	3,430,034	7,040	84,061	-	(3,338,933)	-	(3,338,933)
Student Transportation	2,081,197	-	-	-	(2,081,197)	-	(2,081,197)
Food service operations	-	-	-	-	-	-	-
Community Service Operations	328,360	-	1,042,446	-	714,086	-	714,086
Facilities Acquisition & Construction	8,859,218	-	-	8,193,551	(665,667)	-	(665,667)
Interest on Long-Term Debt	1,564,902	-	-	-	(1,564,902)	-	(1,564,902)
Total Governmental Activities	39,804,327	7,040	7,408,175	8,193,551	(24,195,561)	-	(24,195,561)
Business-Type Activities							
Food Service	3,421,188	24,014	3,037,700	-	-	(359,474)	(359,474)
Total business-type activities	3,421,188	24,014	3,037,700	-	-	(359,474)	(359,474)
Total primary government	$ 43,225,515	$ 31,054	$ 10,445,875	$ 8,193,551	(24,195,561)	(359,474)	(24,555,035)
General Revenues:							
Taxes							
Property Taxes					6,228,552	-	6,228,552
Delinquent Property Taxes					113,809	-	113,809
Motor Vehicle					1,086,910	-	1,086,910
Utility Taxes					1,293,044	-	1,293,044
Other Taxes					50,394	-	50,394
Investment Earnings					178,945	22,084	201,029
Federal and State Aid					21,214,533	-	21,214,533
Miscellaneous					1,239,432	-	1,239,432
Gains (loss) on Sale of Fixed Assets					-	-	-
Transfers					196,662	(196,662)	-
Total general revenues and transfers					31,602,281	(174,578)	31,427,703
Change in Net Position					7,406,720	(534,052)	6,872,668
Net Position - Beginning					15,136,468	(690,310)	14,446,158
Net Position - Ending					$ 22,543,188	$ (1,224,362)	$ 21,318,826

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Special Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets and resources:						
Cash and cash equivalents	$ 5,956,985	$ -	$ 8,230,808	$ -	$ 439,011	$ 14,626,804
Cash and cash equivalents, restricted	-	-	-	-	-	-
Accounts receivable:						
Taxes current	359,316	-	-	-	-	359,316
Other accounts receivable	49,952	47,231	-	-	-	97,183
Intergovernmental - state	-	110,893	-	-	-	110,893
Intergovernmental - indirect federal	-	1,163,578	-	-	-	1,163,578
Interfund receivable	965,714	-	-	-	-	965,714
Total assets and resources	$ 7,331,967	$ 1,321,702	$ 8,230,808	$ -	$ 439,011	$ 17,323,488
Liabilities and fund balance:						
Liabilities:						
Accounts payable	$ 177,804	$ -	$ 611,132	$ -	$ 12,959	$ 801,895
Interfund payable	-	965,714	-	-	-	965,714
Accounts payable from restricted assets	-	-	-	-	-	-
Other accrued liabilities	1,778,024	-	-	-	-	1,778,024
Unearned revenue	-	355,988	-	-	47,310	403,298
Total liabilities	1,955,828	1,321,702	611,132	-	60,269	3,948,931
Fund balances:						
Restricted - sick leave payable	249,684	-	-	-	-	249,684
Restricted - future construction	-	-	7,619,676	-	1,754	7,621,430
Restricted - other	-	-	-	-	-	-
Unassigned fund balance	5,126,455	-	-	-	376,988	5,503,443
Total fund balance	5,376,139	-	7,619,676	-	378,742	13,374,557
Total liabilities and fund balance	$ 7,331,967	$ 1,321,702	$ 8,230,808	$ -	$ 439,011	$ 17,323,488

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances per fund financial statements		$ 13,374,557
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not current financial resources and therefore are not reported as assets in this fund financial statement. The cost of the assets is $97,208,194, and the accumulated depreciation is $19,824,932.		77,383,262
Deferred inflows of resources-CERS	$ (3,060,714)	
Deferred inflows of resources-KTRS	(2,718,000)	
Deferred outflows of resources-CERS	6,213,974	
Deferred outflows of resources-KTRS	3,947,088	
Net OPEB liability-CERS	(3,233,680)	
Net OPEB liability-KTRS	(6,198,000)	
Net pension liability	(11,846,840)	(16,896,172)
Bonds and capital lease payable are not reported in this fund financial statement because they are not due and payable in the current period, but they are presented in the statement of net position.		(50,365,735)
Certain liabilities, (Sick leave and interest payable) are not presented in this fund financial statement because they are not due and payable, but they are presented in the statement of net position as follows:		
Bond premium, net	(12,707)	
Bond discount, net	262,724	
Interest Payable	(481,551)	
Accrued Sick Leave Payable	(721,190)	(952,724)
Net position for governmental activities		$ 22,543,188

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Special Revenue (Grant) Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
From local sources:						
Taxes:						
Property	$ 5,155,711	$ -	$ -	$ -	$ 1,237,044	$ 6,392,755
Motor vehicles	1,086,910	-	-	-	-	1,086,910
Utilities	1,293,044	-	-	-	-	1,293,044
Tuition and fees	-	-	-	-	-	-
Earnings and investments	66,279	1,061	110,008	-	2,658	180,006
Other local revenues	34,033	487,213	-	-	1,212,439	1,733,685
Intergovernmental - state	19,627,586	1,956,883	6,662,700	1,392,515	1,530,851	31,170,535
Intergovernmental - indirect federal	135,310	4,963,018	-	-	-	5,098,328
Intergovernmental - direct federal	59,122	-	-	-	-	59,122
Total revenues	27,457,995	7,408,175	6,772,708	1,392,515	3,982,992	47,014,385
Expenditures:						
Instruction	16,380,417	5,742,290	-	-	1,191,269	23,313,976
Support services:			-			
Student	1,224,066	57,221	-	-	-	1,281,287
Instructional staff	702,381	128,180	-	-	-	830,561
District Administration	806,768	-	-	-	-	806,768
School Administration	1,635,608	200,253	-	-	-	1,835,861
Business support services	884,896	18,408	-	-	-	903,304
Plant operations and maintenance	3,642,250	84,061	-	-	-	3,726,311
Student transportation	2,165,627	-	-	-	-	2,165,627
Food service operation	-	-	-	-	-	-
Facilities acquisition and construction	-	-	575,069	-	-	575,069
Other - facilities	-	-	7,570,062	-	-	7,570,062
Community service activities	-	328,360	-	-	-	328,360
Adult Education Operations	-	714,087	-	-	-	714,087
Debt service:						
Principal	125,094	-	-	2,610,000	-	2,735,094
Interest	17,777	-	-	1,563,273	-	1,581,050
Total expenditures	27,584,884	7,272,860	8,145,131	4,173,273	1,191,269	48,367,417
Excess (Deficit) of Revenues Over Expenditures	(126,889)	135,315	(1,372,423)	(2,780,758)	2,791,723	(1,353,032)
Other financing sources (uses):						
Proceeds from capital lease	247,695	-	-	-	-	247,695
Proceeds from bond issue	-	-	1,115,000	-	-	1,115,000
Cost of issuance	-	-	-	-	-	-
Operating transfers in	305,810	52,085	202,701	2,780,758	43,504	3,384,858
Operating transfers out	(55,573)	(187,400)	-	-	(2,945,223)	(3,188,196)
Total other financing sources (uses)	497,932	(135,315)	1,317,701	2,780,758	(2,901,719)	1,559,357
Net change in fund balance	371,043	-	(54,722)	-	(109,996)	206,326
Fund Balance June 30, 2022	5,005,096	-	7,674,398	-	488,738	13,168,232
Fund Balance June 30, 2023	$ 5,376,139	$ -	$ 7,619,676	$ -	$ 378,742	$13,374,558

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net Change - Governmental Funds		$ 206,326
Amounts reported for governmental activities in the statement of activities are different because:		
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 depreciation expense exceeds capital outlays for the year.		
Depreciation Expense	$ (1,794,938)	
Capital Outlays	8,584,289	6,789,351
Bond proceeds are reported as financial 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.		
Principal Paid:		
District	1,670,948	
State	939,052	
Capital Leases	158,744	
Bond Proceeds	(1,115,000)	
Lease Proceeds	(247,695)	1,406,049
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		
Accrued Interest Payable	16,148	
Accrued Sick Leave	(211,508)	
Bond premium, net	1,097	
Bond discount, net	3,647	
Net pension liability	(2,859,381)	
Net OPEB liability-CERS	(535,643)	
Net OPEB liability-KTRS	(2,298,000)	
Deferred ouflows of resources	4,724,525	
Deferred inflows of resources	164,109	(995,006)
In the statement of activities the net gain on the sale/disposal of assets is reported in, whereas in the governmental funds the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balances by the cost of the assets sold/disposed.		-
Change in net position of governmental activities		$ 7,406,720

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 490,843
Inventory	77,906
Total current assets	568,749
Noncurrent assets	
Capital assets net of accumulated depreciation	38,389
Total noncurrent assets	38,389
Total assets	607,138
Deferred Outflows of resources	
OPEB	332,392
CERS	617,006
Total Deferred Outflows of resources	949,398
Liabilities	
Current liabilities	
Accounts payable	2,584
Total current liabilities	2,584
Noncurrent liabilities	
Net OPEB liability - CERS	495,235
Net pension liability - CERS	1,814,333
Total noncurrent liabilities	2,309,568
Total liabilities	2,312,152
Deferred Inflows of resources	
OPEB-CERS	252,225
CERS	216,521
Total Deferred Inflows of resources	468,746
Net position	
Net investment in capital assets	38,389
Unassigned	(219,789)
Restricted:	
Food Service	219,789
Inventory	77,906
Restricted - other	(1,828,916)
Unrestricted	488,259
Total net position	$ (1,224,362)

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Food Service Fund
Operating Revenues:	
Lunchroom sales	$ 13,490
Other operating revenues	10,524
Total operating revenues	24,014
Operating Expenses:	
Salaries and benefits	1,953,117
Contract services	13,951
Material and supplies	1,384,795
Depreciation	3,931
Other operating expenses	65,394
Total operating expenses	3,421,188
Operating income (loss)	(3,397,174)
Non-operating revenues (expenses)	
Federal grants	2,385,109
Donated commodities	146,615
State grants	505,976
Interest income	22,084
Total non-operating revenues (expenses)	3,059,784
Income (loss) before capital contributions and transfers	(337,390)
Net transfers	(196,662)
Change in net position	(534,052)
Net position - beginning	(690,310)
Net position - ending	$ (1,224,362)

See accompanying notes to financial statements.

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Cash Flows From Operating Activities:	
Cash received from:	
Lunchroom sales	$ 13,490
Other activities	10,524
Cash paid to/for:	
Employees	(1,372,385)
Supplies	(1,239,076)
Other activities	(79,345)
Net cash provided (used) by operating activities	(2,666,792)
Cash flows from noncapital financing activities:	
State grants	145,033
Federal grants	2,385,109
Net cash provided (used) by noncapital financing activities	2,530,142
Cash flows from investing activities:	
Receipt of interest income	22,084
Purchase of assets	(23,831)
Net transfers	(196,662)
Net cash provided (used) by investing activities	(198,409)
Net increase (decrease) in cash and cash equivalents	(335,059)
Balances, beginning of year	825,902
Balances, end of year	$ 490,843
Reconciliation of change in operating income to net cash provided (used) by operating activities:	
Operating Income (Loss)	$ (3,397,174)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	3,931
State on-behalf payments	360,943
Donated commodities	146,615
GASB 68 expense	152,824
GASB 75 expense	66,965
Change in Assets and Liabilities:	
(Increase) decrease in inventory	734
Increase (decrease) in accounts payable	(1,630)
Net cash provided (used) by operating activities	$ (2,666,792)
Schedule of non-cash transactions:	
On behalf payments from the state for employee benefits	$ 360,943
Donated commodities received from federal government	146,615
Gasb 68 & 75 expenses (net)	219,789

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Taylor 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 Taylor County Board of Education ("District"). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Taylor 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 Band Boosters, Parent-Teacher Associations, etc.

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

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

Taylor County Board of Education Finance Corporation – On November 19, 1990, the Taylor County, Kentucky, Board of Education resolved to authorize the establishment of the Taylor 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 Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

Basis of Presentation

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

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

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

In the government-wide statement of net position and statement of activities both governmental and business-like activities are presented using the accrual basis of accounting. Under accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

The District has the following funds:

- Governmental Fund Types

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

  2. The Special Revenue (Grant) 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 the 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 and Notes to the Schedule of Expenditures of Federal awards included in this report on pages 62 through 64. This is a major fund of the District.

  3. The District Activity Fund is a Special Revenue Fund type and is used to account for funds received at the school level.

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

     a. 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.

     b. The Facility Support Program of Kentucky (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. This is a major fund of the District.

     c. The Construction Fund includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.

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

- Proprietary Fund Types (Enterprise Fund)

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

  2. Operating revenues in the proprietary funds are the revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Fiduciary Fund Types

  1. The Agency Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds comply with *Accounting Procedures for Kentucky School Activity Funds.*

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

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

When both restricted and unrestricted resources are available, it is the District's policy to use restricted first, then unrestricted resources, as they are needed.

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 deferred revenue.

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

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.

Property Taxes

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.

The property tax rates assessed for the year ended June 30, 2023, to finance the General Fund operations were \$.598 per \$100 valuation for real property, \$.598 per \$100 valuation for business personal property and \$.537 per \$100 valuation for motor vehicles.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

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

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

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
Audio-visual equipment	15 years
Food service equipment	10-12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other	10 years

Inter-fund Balances

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund 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.

Budgetary Process

Budgetary Basis of Accounting: The District’s budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major 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).
- The budget can be amended after initial approval.
- Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.
- On-Behalf payments were not considered in the budget.

Encumbrances

Encumbrances are not liabilities and, therefore, are not reported as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are re-appropriated in the next year. There were no outstanding encumbrances at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

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

Inventories

The only inventory maintained by the District consists of expendable supplies held for consumption and is accounted for in the Enterprise Fund. Inventory consists of donated and purchased food held for resale and is expensed when used. Purchased food is valued at cost and the U.S. Government donated commodities value is determined by the U.S. Department of Agriculture.

Prepaid Assets

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

Receivables

The District recognizes revenues as receivable when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions.

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital 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.

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance Reserves

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- 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 balances-amounts that are available for any purpose; positive amounts are reported only in the General Fund

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets and liabilities. Net investment 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 positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

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

Contributions of Capital

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

Inter-fund 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after 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.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Board's policy is to apply restricted net positions first.

NOTE 2 – ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, 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 INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities.

At June 30, 2023, the carrying amount of the District's cash and cash equivalents (cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less) was $15,117,647 while the bank statements totaled $15,482,241. Of the total bank balances, $250,000 was insured by FDIC; collateral agreements were executed and collateral, with a FMV of $24,678,511 and book value of $26,725,000, was pledged and held by the pledging bank's trust departments in the District's name to secure the remainder of deposits.

NOTE 3 – CASH AND INVESTMENTS - CONTINUED

Due to the nature of the accounts and certain limitations on the use of the funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Special Revenue Fund, Debt Service Fund, Food Service Fund and Agency Fund.

Kentucky Revised Statutes authorizes the District to invest in the following: obligations of the United States Government and of its agencies and instrumentalities, repurchase agreements and specially approved AAA rated corporate bonds; bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities; certificates of deposit or other interest bearing accounts issued by any bank or savings and loan institution up to FDIC insured amount, and in larger amounts provided that the bank pledges as security obligations having a current market value at least equal to any uninsured deposits.

The District held no investments at June 30, 2023.

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	Transfers/ Retirements	Balance June 30, 2023
Capital Assets not being Depreciated:				
Land	$ 2,990,887	$ 696,886	$ -	$ 3,687,773
Construction in Progress	861,637	7,025,198	-	7,886,835
Total Capital Assets not being Depreciated	3,852,524	7,722,084	-	11,574,608
Capital Assets, being Depreciated:				
Land Improvements	572,800	-	-	572,800
Buildings and Building Improvements	76,018,039	321,655	-	76,339,694
Right to Use Assets	200,015	26,870		226,885
Technology equipment	2,445,649	116,766	-	2,562,415
Vehicles	3,477,459	251,407	-	3,728,866
General Equipment	2,057,418	145,507	-	2,202,925
' Totals at historical cost	84,771,380	862,205	-	85,633,585
Less accumulated depreciation for:				
Land Improvements	458,324	21,756	-	480,080
Buildings and Building Improvements	11,492,748	1,278,660	-	12,771,408
Right to Use Assets	89,685	61,017		150,702
Technology Equipment	1,776,783	212,222	-	1,989,005
Vehicles	2,468,876	174,229	-	2,643,105
General Equipment	1,743,577	47,054	-	1,790,631
Construction	-	-	-	-
Total accumulated depreciation	18,029,993	1,794,938	-	19,824,931
Governmental Activities Capital Net	$ 70,593,911	$ 6,789,351	$ -	$ 77,383,262

Depreciation Expense Charged to Governmental Functions as Follows:

Instructional	$ 1,578,427
Student Transportation	153,977
District Administration	44,292
Plant Operation and Maintenance	18,242
Total	$ 1,794,938

NOTE 5 – LONG-TERM OBLIGATIONS

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

Issue	District Original Amount	SFCC Original Amount	Interest Rate Ranges	Maturity Dates
Issue of Feb., 2012	$ 1,840,000	$ -	1.85%	Apr. 1, 2024
Issue of Feb., 2015	$ 25,225,969	$ 20,359,031	2.00% - 3.250%	Feb. 1, 2035
Issue of Jul., 2016	$ 2,521,171	$ 63,829	2.00% - 2.750%	Aug. 1, 2036
Issue of Sept., 2019	$ 4,245,000	$ -	2.00% - 2.625%	Jun. 1, 2039
Issue of May, 2020	$ 1,680,000	$ -	2.00%	May 1, 2030
Issue of June, 2022	$ 8,243,099	$ 186,901	3.75%-4%	June 1, 2042
Issue of June, 2023	$ 1,115,000	$ -	3.40%-4.25%	June 1, 2043

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Taylor County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

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

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

	Taylor County School District		Kentucky School Construction Commission		
Year	Principal	Interest	Principal	Interest	Total
2023-2024	$ 1,793,013	$ 1,117,960	$ 966,987	$ 425,528	$ 4,303,488
2024-2025	1,773,980	1,070,666	966,020	396,496	4,207,162
2025-2026	1,824,078	1,024,363	1,025,922	366,595	4,240,958
2026-2027	1,878,277	972,909	1,056,723	335,792	4,243,701
2027-2028	1,936,551	920,228	1,088,449	304,064	4,249,292
2029-2033	10,000,873	3,758,902	5,954,127	1,008,445	20,722,347
2034-2038	9,302,021	2,177,695	2,717,979	145,072	14,342,767
2039-2043	7,085,974	719,972	49,106	5,008	7,860,060
Totals	$ 35,594,767	$ 11,762,695	$ 13,825,313	$ 2,987,000	$ 64,169,775

Total interest incurred for the year ended June 30, 2023 was $1,564,902, all of which was charged to expense.

KISTA Bus Leases

The District entered into a capital lease in March 2020 with the Kentucky Inter-local Transportation Association (KISTA) upon purchase of four school buses. Principal payments are due annually on March 1. Interest is stated at 2.00% and is due semi-annually on September 1 and March 1.

The District entered into a capital lease in April 2021 with the Kentucky Inter-local Transportation Association (KISTA) upon purchase of two school buses. Principal payments are due annually on March 1. Interest is stated at 1.25% - 1.500% and is due semi-annually on September 1 and March 1.

The District entered into a capital lease in April 2022 with the Kentucky Inter-local Transportation Association (KISTA) upon purchase of two school buses. Principal payments are due annually on March 1. Interest is stated at 3.00% and is due semi-annually on September 1 and March 1.

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

Copier Leases

The District has implemented GASB Statement No. 87, *Leases* and as a result has recorded $100,228 as intangible right to use assets and accumulated amortization of $35,695 in the governmental activities capital assets as of June 30,2021 for the District's copier lease agreements. The District also recorded a lease liability of $64,944 as of June 30, 2021. (See Note 16). A borrowing rate of 4.5% was used to discount the annual lease payments to recognize the intangible right to use these assets and the lease liability.

Annual requirements to amortize the lease liabilities and related interest are as follows:

Year Ending, June 30,	Principal	Interest
2024	$ 175,473	$ 21,290
2025	136,816	18,172
2026	135,915	15,152
2027	133,714	12,048
2028	118,923	8,866
Thereafter	244,814	10,276
Total requirements	$ 945,655	$ 85,804

Amortization of leased equipment under capital assets is included with depreciation expense

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 School District's past experience of making termination payments. As of June 30, 2022, management has estimated the accrued sick leave liability obligation will be approximately $721,190. The entire sick leave liability is reported on the government-wide financial statements.

Long-term liability the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Revenue Bonds Payable	$ 50,915,080	$ 1,115,000	$ 2,610,000	$ 49,420,080	$ 2,760,000
Capital Lease Payable	856,705	274,565	185,615	945,655	175,473
Accrued Sick Leave	509,682	211,508	-	721,190	249,684
Bond Premium, net	13,804		1,097	12,707	1,097
Net OPEB Liability - CERS	2,698,037	535,643	-	3,233,680	-
Net OPEB Liability - KTRS	3,900,000	2,298,000	-	6,198,000	-
Net pension liability	8,987,459	2,859,381	-	11,846,840	-
Governmental Activities Long-term Liabilities	$ 67,880,767	$ 7,294,097	$ 2,796,712	$ 72,378,152	$ 3,186,254

The debt service fund is primarily responsible for paying bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying accrued vacation and sick leave.

NOTE 6 – RETIREMENT PLANS

Kentucky Teacher's Retirement

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

General information about the County Employees retirement system Non-Hazardous ("CERS")

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 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/.

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 of 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 the 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. Five years' 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 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for non-service related disability benefits.

Contributions – Required contributions by the employee are based on the tier:

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

The district's contribution requirement for CERS for the years ended June 30, 2022, 2021, and 2020 was $1,125,611, $772,513, and $784,880 from the District and $261,279, $200,135 and 199,830 from employees. The total covered payroll for CERS during the years ended June 30, 2022, 2021 and 2020 was $5,317,012, $4,002,656, and $4,066,731.

NOTE 6 – RETIREMENT PLANS - CONTINUED

General information about the Teachers' Retirement System of the State of Kentucky ("KTRS")

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

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 is 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. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

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

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

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.640 % of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.425% of their salary to KTRS.

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 13.105% 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.

During the years ended June 30, 2023, 2022, and 2021 contributions of $5,346,192, $3,538,044 and $3,484,537 were made by the State of Kentucky and $354,897, $297,396 and $236,947 in contributions were passed through the District's federally funded programs. Employee contributions for the years ended June 30, 2023, 2022, and 2021 totaled $1,783,665, $1,717,443 and $1,571,493. All payments were made to the retirement system in the amount of the annually required contributions.

NOTE 6 – RETIREMENT PLANS - CONTINUED

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 KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District Commonwealth support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate shares of the CERS net pension liability	$	13,661,173
Commonwealth's proportionate share of the KTRS net pension liability associated with the District		58,594,111
	$	72,255,284

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 Districts 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 Districts proportion was 0.188977% percent.

For the year ended June 30, 2023, the District recognized pension expense of $1,327,926 related to CERS and 3,538,044 related to KTRS. The District also recognized revenue of $3,538,044 for KTRS support provided by the Commonwealth. 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**
Differences between expected and actual experiene	$ 14,606	$ 121,659
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,858,876	1,508,654
Changes in proportion and differences between District contributions and proportionate share of contributions	1,479,405	-
District contributions subsequent to the measurement date	1,292,912	-
Total	$ 4,645,799	$ 1,630,313

The District reported $1,292,912 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	820,190
2025	629,102
2026	(114,801)
2027	388,083

NOTE 6 – RETIREMENT PLANS - CONTINUED

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	KTRS
Inflation	2.30%	3.00%
Projected salray increases	3.30%-10.30%	3.50%-7.30%
Investment rate of return, net of investment expenses & inflation	6.25%	7.50%

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

For KTRS, Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The assumed long-term investment rate of return was changed from 7.50 percent to 7.10 percent and the price inflation assumption was lowered from 3.0 percent to 2.5 percent. The Municipal Bond Index used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

Discount rate—for CERS, the projection of cash flows used to determine the discount rate of 6.25% for CERS Nonhazardous and CERS Hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as amended by House Bill 362 (passed in 2018) over the remaining 30 years (closed) amortization period of the unfunded actuarial accrued liability.

For KTRS, the discount rate used to measure the total pension liability as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. We assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution 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.

Long-term rate of return: For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering the period July 1, 2013 – June 30, 2018. 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.

NOTE 6 – RETIREMENT PLANS - CONTINUED

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

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

Sensitivity of CERS and KTRS proportionate share of net pension liability to changes in the discount rate—The following table present 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	17,074,771	13,661,173	10,837,844
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net positions—detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of both CERS and KTRS.

DEFERRED COMPENSATION:

The District also offers employees the option to participate in a defined contribution plan under Section 403(B), 401(K) and 457 of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amount allowable by law. The District does not contribute to these plans. For the year ended June 30, 2022, employee contributed approximately $224,900 to the plan.

NOTE 7 - POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan – CERS

Medical Insurance Plan

Plan description - Employees whose positions do not require a degree beyond a high school diploma are covered by the Kentucky Retirement Systems' Insurance Fund, a component of the 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 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 7 – POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Benefits provided – To be eligible for medical benefits, the member must have retired either for service or disability. The Kentucky Retirement Systems' Insurance Fund offers coverage for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance based on years of service.

Contributions – In order to fund the post-retirement healthcare benefit, for Tier 1 plan members (those participating prior to September 1, 2008) 5.26% of the gross annual payroll of members is contributed, all of which is paid by the District. For Tier 2 plan members (those participating on, or after September 1, 2008 and before January 1, 2014 an additional 1% of the gross annual payroll is contributed by the plan member. Tier 3 plan members (those whose participation began after January 1, 2014) also contribute an additional 1% of their annual payroll into a Cash Balance Plan. 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 OPEB Plan - KTRS

Plan description – Teaching-certified employees of the Kentucky 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 provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at https://trs.ky.gov/financial-reports-information.

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

Medical Insurance Plan

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

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

Contributions – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three 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.

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

At June 30, 2023, the District reported a liability of $9,926,915 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 0.188948%.

NOTE 7 – POST EMPLOYMENT BENEFIT PLAN - 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 shares of the net OPEB liability	$	9,926,915
Commonwealth's proportionate share of the net OPEB liability associated with the District		101,000
	$	10,027,915

For the year ended June 30, 2023, the District recognized OPEB expense of $457,424 and revenue of $262,041 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**
Differences between expected and actual experiene	$ 375,346	$ 3,461,127
Changes of assumptions	1,848,754	485,954
Net difference between projected and actual earnings on OPEB plan investments	1,024,362	543,015
Changes in proportion and differences between District contributions and proportionate share of contributions	2,558,183	127,051
District contributions subsequent to the measurement date	658,015	-
Total	$ 6,464,660	$ 4,617,147

Of the total amount reported as deferred outflows of resources related to OPEB, $307,927 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2024	93,679
2025	124,365
2026	(43,394)
2027	552,848
2028	328,000
Thereafter	134,000

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 7 – POST EMPLOYMENT BENEFIT PLAN - 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
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Additional Category: High Yield	8.0%	1.7%
Other Additional Categories	9.0%	2.2%
Cash (LIBOR)	1.0%	-0.3%
Total	100.0%	

Discount rate - The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at 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.

CERS – The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

Discount rate – For CERS, the projection of cash flows used to determine the discount rate of 5.20% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contributions rate of projected compensation over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 6.56%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2017. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

Sensitivity of CERS and KTRS proportionate share of net OPEB liability to changes in the discount rate—The following table present the net OPEB 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:	4.70%	5.70%	6.70%
District's proportionate share of net OPEB liability	4,984,964	3,728,915	2,690,580
KTRS:	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	7,777,000	6,198,000	4,892,000

NOTE 7 – POST EMPLOYMENT BENEFIT PLAN - CONTINUED

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
Districts' net OPEB liability	4,647,000	6,198,000	8,128,000

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

Life Insurance Plan

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

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

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

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

At June 30, 2023, the Kentucky 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 shares of the net OPEB liability	$ -
Commonwealth's proportionate share of the net OPEB liability associated with the District	101,000
	$ 101,000

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

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving a ninety (90) day 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 members on a pro rata basis.

NOTE 8 – RISK MANAGEMENT - CONTINUED

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

NOTE 9 - CONTINGENCIES

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

NOTE 10 – COBRA

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

NOTE 11 - DEFICIT OPERATING/FUND BALANCES

There are no funds of the District that currently have a deficit balance. In addition, the following fund had operations that resulted in a current year deficit of expenditures over revenues resulting in a corresponding reduction of fund balance:

Construction Fund	$54,722
Building Fund	$131,166

NOTE 12 - TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	School Food Svc	General Fund	Indirect Cost	$ 196,662
Operating	Special Revenue	Debt Service	Debt Service	187,400
Operating	General Fund	Special Revenue	KETS Match	52,085
Operating	School Activity	District Activity	Operation	43,504
Operating	Building Fund	General Fund	Operation	109,148
Operating	General Fund	Debt Service	Debt Service	3,489
Operating	Capital Outlay	Debt Service	Debt Service	248,019
Operating	Building Fund	Construction	Construction	202,701
Operating	Building Fund	Debt Service	Debt Service	2,341,851
				$ 3,384,859

NOTE 13 – ON-BEHALF PAYMENTS

The following are the on-behalf payments the District received from the Commonwealth of Kentucky for the year ended June 30, 2023:

TRS - GASB 68	$	5,346,192
TRS - GASB 75		116,564
Health Insurance		3,444,357
Life Insurance		5,197
Administrative Fees		41,468
Flexible Plans		193,025
Technology		102,397
Debt Service		1,392,515
Less: Federal Reimbursements		(657,339)
Total	$	9,984,376

NOTE 14 – LITIGATION

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

NOTE 15 – RESTRICTED NET POSITION

The government-wide statement of net position reports (1,751,010) of restricted net position, none of which is restricted by enabling legislation.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

For 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements,* providing guidance and financial reporting for subscription-based information technology arrangements (SBTAs) for government end users (governments). Implementation of GASB 96, *Subscription-Based Information Technology Arrangements* had no impact on the financial statements.

NOTE 17 - SUBSEQUENT EVENTS

Management has reviewed subsequent events through November 13, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
From local sources				
Taxes				
Property	$ 4,950,160	$ 4,764,234	$ 5,155,711	$ 391,477
Motor vehicles	787,465	897,272	1,086,910	189,638
Utilities	1,000,000	1,013,586	1,293,044	279,458
Tuition and fees	5,000	5,000	-	(5,000)
Earnings on investments	20,000	25,000	66,279	41,279
Other local revenues	6,100	6,100	34,033	27,933
Intergovernmental - state	17,753,886	17,824,623	19,627,586	1,802,963
Intergovernmental - direct federal	55,000	100,000	135,310	35,310
Intergovernmental - indirect federal	100,000	55,000	59,122	4,122
Total revenues	24,677,611	24,690,815	27,457,995	2,767,181
Expenditures:				
Instruction	14,938,563	15,308,508	16,380,417	(1,071,909)
Support Services:				
Student	938,564	1,052,711	1,224,066	(171,355)
Instructional staff	624,804	620,926	702,381	(81,455)
District administration	771,539	817,990	806,768	11,222
School administration	1,567,622	1,535,087	1,635,608	(100,521)
Business support services	847,149	895,422	884,896	10,527
Plant operation and maintenance	3,376,446	3,534,949	3,642,250	(107,301)
Student transportation	2,006,896	2,080,413	2,165,627	(85,214)
Community service activities		1,592	-	1,592
Debt service	153,156	153,156	125,094	28,062
Contingency	3,500,000	3,600,000	-	3,600,000
Total expenditures	28,724,739	29,600,754	27,567,107	2,033,646
Excess (Deficit) of Revenues Over Expenditures	(4,047,128)	(4,909,939)	(109,111)	4,800,828
Other financing sources (uses)				
Proceeds from capital lease	-	-	247,695	247,695
Operating transfers in	147,128	147,128	305,810	158,682
Operating transfers out	(50,000)	(50,000)	(55,573)	(5,573)
Total other financing sources (uses)	97,128	97,128	497,932	400,805
Net change in fund balance	(3,950,000)	(4,812,811)	388,821	5,201,634
Fund balance June 30, 2022	3,950,000	4,812,811	5,005,096	192,285
Fund balance June 30, 2023	$ -	$ -	$ 5,393,917	$ 5,393,919

TAYLOR COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Earnings and investments	$ -	$ -	$ 1,061	$ 1,061
Other local revenues	301,699	302,699	487,213	184,514
Intergovernmental - state	2,105,241	2,810,123	1,956,883	(853,240)
Intergovernmental - indirect federal	5,094,350	10,054,072	4,963,018	(5,091,054)
Intergovernmental - direct federal	-	-	-	-
Total revenues	7,501,290	13,166,894	7,408,175	(5,758,717)
Expenditures:				
Instruction	6,488,663	11,222,303	5,742,290	5,480,013
Support services:				
Student	55,141	57,611	57,221	390
Instuctional staff	193,726	164,016	128,180	35,836
District administration	-	-	-	-
School administration	-	(119,693)	200,253	(319,946)
Business support services	3,000	3,000	18,408	(15,408)
Plant operations and maintenance	325,520	319,332	84,061	235,271
Student transportation	132,366	105,694	-	105,694
Community service activities	165,474	297,252	328,360	(31,108)
Adult Education	-	979,979	714,087	265,892
Total expenditures	7,363,890	13,029,494	7,272,860	5,756,634
Excess (Deficit) of Revenues Over Expenditures	137,400	137,400	135,315	(2,085)
Other financing sources (uses)				
Operating transfers in	50,000	50,000	52,085	2,085
Operating transfers out	(187,400)	(187,400)	(187,400)	-
Total other financing sources (uses)	(137,400)	(137,400)	(135,315)	2,085
Net change in fund balance	-	-	-	-
Fund balance June 30, 2022	-	-	-	-
Fund balance June 30, 2023	$ -	$ -	$ -	$ -

TAYLOR COUNTY SCHOOL DISTRICT

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

June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.188977%	0.161482%	0.156097%	0.148067%	0.149763%	0.141441%	0.13652%	0.13761%	0.135582%
District's proportionate share of the net pension liability (asset)	$ 13,661,173	$ 10,295,744	$ 11,972,511	$ 10,413,618	$ 9,121,023	$ 8,278,977	$ 6,721,499	$ 5,916,544	$ 4,399,000
District's covered-employee payroll	$ 5,317,012	$ 4,002,656	$ 4,066,731	$ 3,810,316	$ 3,788,939	$ 3,516,201	$ 3,252,733	$ 3,212,339	$ 3,109,038
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	256.93%	257.22%	294.40%	273.30%	240.73%	235.45%	206.64%	184.18%	141.49%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

*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.

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS
June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,292,912	$ 1,125,611	$ 772,513	$ 784,880	$ 618,033	$ 548,639	$ 490,510	$ 403,989	$ 409,573
Contributions in relation to the contractually required contribution	(1,292,912)	(1,125,611)	(772,513)	(784,880)	(618,033)	(548,638)	(490,510)	(403,989)	(409,573)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 5,525,266	$ 5,317,012	$ 4,002,656	$ 4,066,731	$ 3,810,316	$ 3,788,939	$ 3,516,201	$ 3,252,733	$ 3,212,339
Contributions as a percentage of covered-employee payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

*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.

NOTE 1 – ACTUARIAL METHOS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2022

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2022 (the most current year available):

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Remaining amortization period	26 years, closed
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increases, including wage inflation	43.30% to 11.55 %, varies by service
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with scale BB (set back 1 year for females)

TAYLOR COUNTY SCHOOL DISTRICT

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

June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's prportionate share of the net pension liability (asset)	-	-	-	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	$ 58,594,111	$ 44,323,407	$ 48,140,954	$ 43,368,717	$ 42,956,102	$ 92,658,744	$ 101,268,560	$ 80,158,045	$ 70,702,066
Total	$ 58,594,111	$ 44,323,407	$ 48,140,954	$ 43,368,717	$ 42,956,102	$ 92,658,744	$ 101,268,560	$ 80,158,045	$ 70,702,066
District's covered-employee payroll	11,045,650	10,755,050	10,740,271	10,848,983	11,018,829	11,325,743	11,189,225	11,058,055	10,791,927
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	34.34%	35.22%	42.49%	45.59%

*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.

TAYLOR COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO KTRS

June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 414,529	$ 331,365	$ 322,560	$ 152,700	$ 154,434	$ 117,926	$ 120,033	$ 116,568	$ 121,290
Contributions in relation to the contractually required contribution	(414,529)	(331,365)	(322,560)	(152,700)	(154,234)	(117,926)	(120,033)	(116,568)	(121,290)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$13,817,629	$11,045,650	$10,755,050	$10,740,271	$10,848,983	$11,018,829	$11,325,743	$11,189,225	$11,058,055
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	1.42%	1.42%	1.07%	1.06%	1.04%	1.10%

*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.

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY
June 30, 2023

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.188948%	0.161445%	0.156052%	0.148028%	0.149757%	0.141441%
District's proportionate share of the net OPEB liability (asset)	$ 3,728,915	$ 3,090,784	$ 3,768,181	$ 2,489,764	$ 2,658,906	$ 2,843,448
District's covered-employee payroll	$ 5,317,012	$ 4,002,656	$ 4,066,731	$ 3,810,316	$ 3,788,939	$ 3,516,201
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	70.13%	77.22%	92.66%	65.34%	70.18%	80.87%
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.

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB
June 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 187,307	$ 307,323	$ 190,526	$ 193,576	$ 200,421	$ 178,080
Contributions in relation to the contractually required contribution	(187,307)	(307,323)	(190,576)	(193,576)	(200,421)	(178,080)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 5,525,266	$ 5,317,012	$ 4,002,656	$ 4,066,731	$ 3,810,316	$ 3,788,939
Contributions as a percentage of covered-employee payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

*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.

NOTE 1 – ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTION FOR FISCAL YEAR 2022

The following actuarial methods and assumptions, for actuarially determined contributions effective for the fiscal year ending June 30, 2022 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Amortization period	22 years, Closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Remaining amortization period	26 years, Closed
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50%-7.20%
Discount rate	8.00%
Healthcare cost trend rates:	
Under Age 65	7.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2021

TAYLOR COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - MEDICAL INSURANCE

June 30, 2023

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB medical insurance liability (asset)	0.249679%	0.182442%	0.182442%	0.170416%	0.170411%	0.182280%
District's proportionate share of the net OPEB liability (asset)	$ 6,198,000	$ 3,900,000	$ 4,604,000	$ 4,988,000	$ 5,913,000	$ 6,500,000
Commonwealth's proportionate share of the net OPEB liability (asset) associated with the District	2,036,000	3,168,000	3,688,000	4,028,000	5,096,000	5,309,000
Total	$ 8,234,000	$ 7,068,000	$ 8,292,000	$ 9,016,000	$11,009,000	$ 11,809,000
District's covered-employee payroll	11,045,650	10,755,050	10,740,271	9,891,300	11,018,829	11,325,743
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	56.11%	36.26%	42.87%	50.43%	53.66%	57.39%
Plan fiduciary net position as a percentage of the total pension liability	47.75%	51.74%	39.05%	32.58%	25.50%	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.

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB MEDICAL INSURANCE
June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 414,529	$ 331,365	$ 322,560	$ 322,021	$ 296,451	$ 325,469	$ 330,565
Contributions in relation to the contractually required contribution	(414,529)	(331,365)	(322,560)	(322,021)	(296,451)	(325,469)	(330,565)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$13,817,629	$11,045,650	$10,755,050	$10,740,271	$ 9,891,300	$10,848,983	$11,018,829
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

*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.

TAYLOR COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS OPEB MEDICAL INSURANCE
For the Year Ended June 30, 2023

NOTE 1 - 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 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	22 years, Closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Remaining amortization period	26 years, Closed
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount Rate	8.00%
Healthcare cost trend rates:	
Under Age 65	7.75% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.75% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

TAYLOR COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - LIFE INSURANCE

June 30, 2023

	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's prportionate share of the net pension liability (asset)	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	$ 101,000	$ 42,000	$ 112,000	$ 94,000	$ 87,000	$ 71,000
Total	$ 101,000	$ 42,000	$ 112,000	$ 94,000	$ 87,000	$ 71,000
District's covered-employee payroll	11,045,650	10,755,050	10,740,271	9,891,300	11,018,829	11,325,743
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	73.97%	89.15%	71.57%	75.00%	75.00%	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.

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB LIFE INSURANCE
June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$13,817,629	$11,045,650	$10,755,050	$10,740,271	$ 9,891,300	$10,848,983	$11,018,829
Contributions as a percentage of covered-employee payroll	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.

TAYLOR COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS NET OPEB LIABILITY - LIFE INSURANCE
For the Year Ended June 30, 2023

NOTE 1 - 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 (the most current available):

Valuation date	June 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.50%
Real Wage Growth	0.50%
Wage Inflation	4.00%
Salary increases, including wage inflation	4.00% - 8.10%
Discount Rate	7.50%
Healthcare cost trend rates:	
Under Age 65	7.75% for FYE 2018 decreasing to an ultimate rate of 5.00% 5.00% by FYE 2024
Ages 65 and Older	5.75% for FYE 2018 decreasing to an ultimate rate of 5.00% 5.00% by FYE 2024
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

SUPPLEMENTARY SCHEDULES

TAYLOR COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Non-Major Governmental Funds
Assets and resources:					
Cash & cash equivalents	$ 47,310	$ 389,947	$ -	$ 1,754	$ 439,011
Accounts receivable	-	-	$ -	-	-
Total assets and resources	$ 47,310	$ 389,947	-	$ 1,754	$ 439,011
Liabilities and fund balance:					
Liabilities:					
Accounts payable	$ -	$ 12,959	$ -	$ -	$ 12,959
Unearned revenue	47,310	-	-	-	47,310
Total liabilities	47,310	12,959	-	-	60,269
Fund balance					
Restricted - KSFCC escrow prior year	-	-	-	1,754	1,754
Restricted - future construction	-	-	-	-	-
Restricted - debt service	-	-	-	-	-
Unassigned	-	376,988	-	-	376,988
Total fund balance	-	376,988	-	1,754	378,742
Total liabilities and fund balance	$ 47,310	$ 389,947	$ -	$ 1,754	$ 439,011

TAYLOR COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Other Governmental Funds
Revenues:					
Taxes	$ -	$ -	$ -	$ 1,237,044	$ 1,237,044
Earnings on investments	-	-	-	2,658	2,658
Intergovernmental - local	-	-	-	-	-
Intergovernmental - state	-	-	248,019	1,282,832	1,530,851
Other revenue	48,988	1,163,451	-	-	1,212,439
Total revenues	48,988	1,163,451	248,019	2,522,534	3,982,992
Expenditures:					
Instruction	92,492	1,098,777	-	-	1,191,269
Support services	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Building improvements	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	92,492	1,098,777	-	-	1,191,269
Excess (Deficit) of Revenues Over Expenditures	(43,504)	64,674	248,019	2,522,534	2,791,723
Other financing sources (uses)					
Operating transfers in	43,504	-	-	-	43,504
Operating transfers out	-	(43,504)	(248,019)	(2,653,700)	(2,945,223)
Total other financing sources (uses)	43,504	(43,504)	(248,019)	(2,653,700)	(2,901,719)
Net change in fund balance	-	21,170	-	(131,166)	(109,996)
Fund balance June 30, 2022	-	355,818	-	132,920	488,738
Fund balance June 30, 2023	$ -	$ 376,988	$ -	$ 1,754	$ 378,742

SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
SCHOOL ACTIVITY FUNDS

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance July 1, 2022	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Academic Team	$ 307	$ 240	$ 285	$ 262	$ -	$ -	$ 262
Agriculture Greenhouse	11,161	11,929	11,402	11,688	-	-	11,688
Agri Constructions	1,168	1,635	1,472	1,331	-	-	1,331
Art	108	1,810	1,334	584	-	-	584
T-Sign Productions	213	-	-	213	-	-	213
Athletics	-	175,359	166,618	8,741	-	130	8,611
Girls Basketball	1	16,936	16,933	4	-	-	4
Boys Basketball	1,217	12,755	13,972	-	-	-	-
Mens Bowling	39	3,760	1,082	2,717	-	-	2,717
Volleyball	2,903	26,884	19,583	10,204	-	-	10,204
Golf Team	575	10,430	10,938	67	-	-	67
Baseball	5,153	21,834	19,747	7,240	-	-	7,240
Boys Soccer	4,651	7,328	7,520	4,459	-	-	4,459
Girls Soccer	2,863	4,718	5,126	2,455	-	-	2,455
Cheerleading	3,243	28,360	15,269	16,334	-	-	16,334
Girls Bowling	523	1,392	255	1,660	-	-	1,660
Swim Team	162	1,803	929	1,036	-	-	1,036
Girls Golf	1,044	5,406	5,770	680	-	-	680
Softball	6,316	16,634	14,317	8,633	-	-	8,633
CC and Track	3,256	840	2,921	1,175	-	-	1,175
Archery	3,379	8,970	5,664	6,685	-	-	6,685
Dance Team	2,144	-	1,387	757	-	-	757
Outdoor Club	4,815	4,225	2,603	6,437	-	-	6,437
Tennis Club	1,791	535	1,850	476	-	-	476
Touchdown Club	6,439	36,455	38,685	4,209	-	-	4,209
Wrestling Team	21,074	12,118	29,623	3,569	-	-	3,569
Cross Country	291	1,250	989	552	-	-	552
Football Locker Rooms	68	-	68	-	-	-	-
Community Donations	4,086	5,410	9,475	21	-	-	21
Band	2,115	27,000	29,108	7	-	-	7
Beta Club	4,217	12,061	12,171	4,107	-	-	4,107
STLP	205	305	172	338	-	-	338
Cardinal Kroger	17,309	55,348	46,620	26,037	-	-	26,037
Cosmetology	8,058	1,300	4,646	4,712	-	-	4,712
Chorus	37	1,100	1,120	17	-	-	17
TRI-M Club	18	-	-	18	-	-	18
Concessions - Students	610	-	-	610	-	-	610
Concessions - Lounge	128	1,405	1,058	475	-	-	475
Creative Writer's Club	114	-	-	114	-	-	114

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS - CONTINUED
For the Year Ended June 30, 2023

	Cash Balance July 1, 2022	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
DECA	$ 417	$ -	$ 182	$ 235	$ -	$ -	$ 235
English	21	-	-	21	-	-	21
Drama	8,285	12,558	17,337	3,506	-	-	3,506
Cultural Literacy	1,250	100	346	1,004	-	-	1,004
Mock Trial	266	6,241	4,009	2,498	-	-	2,498
Faculty Flower Fund	5	360	277	88	-	-	88
Family/Consumer	1,461	3,183	3,475	1,169	-	-	1,169
Class of 2023	4,433	-	4,433	-	-	-	-
FCA	359	865	791	433	-	-	433
Farm to School	1,416	3,720	3,164	1,972	-	-	1,972
FFA	2,128	42,517	41,252	3,393	-	613	2,780
WWE Scholarship	3,000	-	500	2,500	-	-	2,500
David O'Banion Memorial	1,025	-	-	1,025	-	-	1,025
FCCLA (FHA)	17,672	24,443	31,667	10,448	-	-	10,448
Regional FCCLA	3,094	1,457	570	3,981	-	-	3,981
Floral Prints	1,264	367	-	1,631	-	-	1,631
General	17,073	27,392	29,087	15,378	-	12,217	3,161
Greenhouse Entrepreneur	14,950	23,927	33,387	5,490	-	-	5,490
Guidance	2,046	862	1,012	1,896	-	-	1,896
KY National Guard	2,190	-	915	1,275	-	-	1,275
L. Gupton Performance	4,570	-	500	4,070	-	-	4,070
Health/PE	670	60	57	673	-	-	673
HOSA - Pharmacy Tech	1,388	22,429	21,802	2,015	-	-	2,015
Industrial Technology	-	1,669	1,608	61	-	-	61
Interact Club	-	450	369	81	-	-	81
JAG	57	2,164	160	2,061	-	-	2,061
Jr. ROTC	-	210	-	210	-	-	210
Class of 2025	45	-	-	45	-	-	45
Lady Cards Little League	-	2,500	2,500	-	-	-	-
Boys Little League	1,010	2,575	3,585	-	-	-	-
Library	2,531	773	-	3,304	-	-	3,304
Pep Club	1,905	1,480	1,228	2,157	-	-	2,157
Prom Account	-	24,908	18,315	6,593	-	-	6,593
Science Department	656	560	991	225	-	-	225
Medical Explorers	170	-	-	170	-	-	170
Anatomy	1,302	1,025	1,665	662	-	-	662
Senior Trip	41	13,400	13,366	75	-	-	75
Class of 2026	141	1,000	1,141	-	-	-	-

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS - CONTINUED
For the Year Ended June 30, 2023

	Cash Balance July 1, 2022	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Social Studies Dept	$ 163	$ 1,658	$ 1,679	$ 142	$ -	$ -	$ 142
TCHS Print	1,141	183	456	868	-	-	868
Student Advisory Council	390	6,375	1,732	5,033	-	-	5,033
TCHS Welding	1,001	3,012	3,192	821	-	-	821
Tech. Students Association	131	1,141	971	301	-	-	301
Text Books	-	17,520	17,520	-	-	-	-
Yearbook	632	3,265	2,633	1,264	-	-	1,264
Y Club	55	10,092	10,147	-	-	-	-
Young Historians	1,658	2,103	2,239	1,522	-	-	1,522
Youth Wrestling	-	3,458	218	3,240	-	-	3,240
Youth Cheer	-	3,375	-	3,375	-	-	3,375
Ultimate Frisbee	961	-	-	961	-	-	961
Taylor County High School	224,774	792,912	781,190	236,496	-	12,960	223,536
Taylor County Middle School	82,755	295,309	273,720	104,344	-	-	104,344
Taylor County Intermediate	39,447	97,947	96,001	41,393	-	-	41,393
Taylor County Primary	7,327	27,094	26,706	7,715	-	-	7,715
Total	$ 354,303	$ 1,213,261	$ 1,177,617	$ 389,948	$ -	$ 12,960	$ 376,988

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass Through Number	Disbursements
U.S. Department of Education			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100002-21	$ 109,610
Title I Grants to Local Educational Agencies	84.010	3100002-22	6,978
Title I Grants to Local Educational Agencies	84.010	3100002-22	727,599
			844,187
Special Education Cluster:			
Special Education - Grants to States	84.027	3810002-21	741
Special Education - Grants to States	84.027	3810002-22	418
Special Education - Grants to States	84.027	3810002-22	623,726
Special Education - Grants to States	84.027	4910002-21	29,224
Special Education - Preschool Grants	84.173	3800002-22	48,982
Special Education - Preschool Grants	84.173	4900002-22	354
Total Special Education Cluster			703,445
Career and Technical Education-Basic Grants to States	84.048	3710002-21	2,521
Career and Technical Education-Basic Grants to States	84.048	3710002-22	35,528
			38,049
Twenty-first Century Community Learning Centers	84.287	3400002-20	23,956
Twenty-first Century Community Learning Centers	84.287	3400002-21	198,779
			222,735
Supporting Effective instruction State Grants	84.367	3230002-21	18,615
Supporting Effective instruction State Grants	84.367	3230002-22	75,640
			94,255
Student Support and Academic Enrichment Program	84.424	3420002-21	7,172
Student Support and Academic Enrichment Program	84.424	3420002-22	52,201
		75640	59,373
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4200002-21	1,943,772
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4200002-21	558,068
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4300005-21	3,254
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4300005-21	2,712
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4980002-21	18,108
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	430007-21	14,147
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	GEER	53,172
			2,593,233
Total U.S. Department of Education passed through the Kentucky Department of Education			4,555,277

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass Through Number	Disbursements
Passed through the Kentucky Office of Adult Education:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.002	Not Available	$ 213,198
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.002	Not Available	43,543
Total passed through the Kentucky Office of Adult Education			256,741
Passed through the Kentucky Office of Vocational Rehabilitation:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	Not Available	78,921
Total passed through the Kentucky Office of Vocational Rehabilitation			78,921
Total U.S. Department of Education			4,890,939
U.S. Department of Agriculture			
Passed through the Kentucky Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	7760005 22	196,789
School Breakfast Program	10.553	7760005 23	589,664
National School Lunch Program	10.555	7750002 22	373,793
National School Lunch Program	10.555	7750002 23	1,166,655
National School Lunch Program	10.555	9980000 22	70,854
National School Lunch Program	10.555	9980000 23	33,656
Summer Food Service Program for Children	10.559	7690024 22	1,773
Summer Food Service Program for Children	10.559	7740023 22	17,180
Total Child Nutrition Cluster			2,450,364
Child and Adult Care Food Program	10.558	7790021 22	2,781
Child and Adult Care Food Program	10.558	7790021 23	33,755
Child and Adult Care Food Program	10.558	7800016 22	207
Child and Adult Care Food Program	10.558	7800016 23	2,513
			39,256
State Administrative Expenses for Child Nutrition	10.560	7700001 22	2,709
			2,709
Child Nutrition Discretionary Grants Limited Availability	10.579	7840027 20	18,846
State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	9990000 22	3,135
			3,135
Total U.S. Department of Agriculture passed through the Kentucky Department of Education			2,514,310
Passed through the Kentucky Department of Agriculture:			
Commodity Supplemental Food Program	10.565	Not Available	146,615
Total U.S. Department of Agriculture			2,660,925
Total Federal Financial Assistance			$ 7,551,864

TAYLOR COUNTY SCHOOL DISTRICT
NOTES TO 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 (the "Schedule") includes the federal award activity of the Taylor County School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of title 2 U.S. *Code of federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Taylor County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Taylor County School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at fair value of the commodities disbursed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of audit issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	______ Yes	X No
• Significant deficiencies identified that are Not considered to be material weakness(es)?	______ Yes	X None Reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major programs?

• Material weakness(es) identified	______ Yes	X No
• Significant deficiencies identified that are Not considered to be material weakness(es)?	______ Yes	X None Reported

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 Uniform Guidance 2 CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	US Department of Education Passed through the Kentucky Department of Education:
84.42	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act
84.287	Twenty-First Century Community Learning Centers
	U.S. Department of Agriculture Pass through the Kentucky Department of Education:
10.553, 10.555, 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	_____ Yes	X No

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section II – Financial Statement of Findings

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

TAYLOR COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2023

Financial Statement of Findings

No matters were reported

Federal awards Findings and Questioned Costs:

No matters were reported

WISE, BUCKNER, SPROWLES
& ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

GREGORY S. WISE, CPA
JEFFREY G. SPROWLES, CPA
MATTHEW S. HAZEL, CPA
SHIRLEY M. BUCKNER, CPA

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Taylor County School District
Campbellsville, KY 42718

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the requirements prescribed by the Kentucky State Committee for School District Audits *Independent Auditor's Contract* in Appendices I, and II of the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Taylor 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 Taylor County School District's basic financial statements and have issued our report thereon dated November 13, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Taylor 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 Taylor County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Taylor 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 that 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 Taylor 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.* In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *State Audit Requirements* section of the *Independent Auditor's Contract*.

301 E. MAIN STREET • P.O. BOX 1083 • CAMPBELLSVILLE, KY 42719-1083 • (270) 465-6842 • FAX (270) 465-7703
E-Mail: wbscpa@wbscpas.com • www.wbscpas.com
MEMBERS: AICPA • KYCPA

Purpose of this Report

The purpose of this report is to solely describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide and 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.

Wise, Buckner, Sprowles & Associates PLLC
Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 13, 2023

WISE, BUCKNER, SPROWLES
& ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

GREGORY S. WISE, CPA
JEFFREY G. SPROWLES, CPA
MATTHEW S. HAZEL, CPA
SHIRLEY M. BUCKNER, CPA

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Taylor County School District
Campbellsville, KY 42718

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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).[j] 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 Taylor 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 Taylor 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 Taylor County School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Taylor 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 Taylor County School District's compliance with the requirements of each major federal program as a whole.

301 E. MAIN STREET • P.O. BOX 1083 • CAMPBELLSVILLE, KY 42719-1083 • (270) 465-6842 • FAX (270) 465-7703
E-Mail: wbscpa@wbscpas.com • www.wbscpas.com
MEMBERS: AICPA • KYCPA

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 Taylor 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 Taylor 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 Taylor County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, Kentucky
November 13, 2023

MANAGEMENT LETTER

WISE, BUCKNER, SPROWLES
& ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

GREGORY S. WISE, CPA
JEFFREY G. SPROWLES, CPA
MATTHEW S. HAZEL, CPA
SHIRLEY M. BUCKNER, CPA

November 13, 2023

Members of the Board of Education
Taylor County Board of Education
Campbellsville, Kentucky

In planning and performing our audit of the financial statements of Taylor County School District for the year ended June 30, 2023, we considered the Board'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.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters, but we would first like to address the progress of the management letter points from the previous audit.

The management letter from the previous fiscal year discussed three points with respect to strengthening internal controls within the Central Office and one point with respect to strengthening internal controls within the school activity funds.

The following observations were made concerning the prior year management letter points:

Taylor County Middle School:

Finding #1 – During our test of disbursements we noted one instance of a purchase made before the purchase order. This involved the Boys Basketball Activity Fund's Peach fund raiser.

Current Year Observation – See current year finding.

Taylor County High School:

Finding #2 – During our test of receipts, we noted multiple occurrences of students not signing the Multiple Receipt Form for money collected by the Activity Fund Sponsor.

Current Year Observation – This was not noted as an issue during the current year.

Finding #3 – During our test of disbursements we noted three occurrences of purchases made before the date of the purchase order approval.

Current Year Observation – This was not noted as an issue during the current year.

CURRENT YEAR COMMENTS:

Taylor County Middle School:

Finding #1 – During our test of disbursements we noted four (4) instances of a purchase made before the purchase order. This involved the Baseball, General, Archery, and Athletic activity funds.

Recommendation – This finding appears to be systemic and we recommend that Activity Fund sponsors and the bookkeeper attend Redbook training on proper purchasing procedures.

Management Response – Taylor County Schools provided Redbook training for all bookkeepers, coaches and club sponsors. Management has also made available copies of the Redbook for anyone that needs it as well as working with school personnel on the purchasing process.

Taylor County Primary Center:

Finding #2 – During our test of fundraisers, the 1st Grade Activity fund held a fund raiser "World's Finest Chocolates" of which there was no documentation on the School Activity Fund Fundraiser Summary Form F-SA-2B.

Recommendation – We recommend that Activity Fund sponsors and the bookkeeper attend Redbook training on proper documenting of fund raisers..

Management Response – Taylor County Schools provided Redbook training for all bookkeepers, coaches and club sponsors. Management has also made available copies of the Redbook for anyone that needs it as well as working with school personnel on the purchasing process.

301 E. MAIN STREET • P.O. BOX 1083 • CAMPBELLSVILLE, KY 42719-1083 • (270) 465-6842 • FAX (270) 465-7703
E-Mail: wbscpa@wbscpas.com • www.wbscpas.com
MEMBERS: AICPA • KYCPA

Sincerely,

Wise, Buckner, Sprowles & Associates, PLLC
Wise, Buckner, Sprowles & Associates, PLLC
Certified Public Accountants

Campbellsville, Kentucky

APPENDIX D

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

STATEMENT OF INDEBTEDNESS

STATEMENT OF INDEBTEDNESS

KY CONST. §§ 157 and 158
KRS § 66.041

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF TAYLOR)

The undersigned, as the Treasurer of the Board of Education of the Taylor 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	$1,422,802,021
2.	The current population of the District is	26,443
3.	The total amount of all bonds, notes, and other obligations of the District issued and outstanding, including the present Bonds of $5,505,000*	$51,920,000
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	$46,415,000
(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
(h)	Bonds issued to fund a floating indebtedness	$0
	TOTAL EXEMPT OBLIGATIONS	$46,415,000

* Preliminary, subject to change.

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 $5,505,000*
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 $0.575 per $100 of assessed valuation for real property and $0.575 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 November 26, 2024.

By: ______________________

Treasurer

---

* 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

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

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

700 N. Hurstbourne Parkway
Suite 115
Louisville, Kentucky 40222
Telephone: 502-423-2000
Telefax: 502-423-2001
www.steptoe-johnson.com

FORM OF BOND COUNSEL OPINION

_____________, 2024

Board of Education of Taylor County, Kentucky
Campbellsville, Kentucky

Ladies and Gentlemen:

We have served as bond counsel to the Board of Education of Taylor County, Kentucky ("Board") and in such capacity have examined the transcript of proceedings for the issue of $5,505,000 Board of Education of Taylor County, Kentucky General Obligation Bonds, Series 2024 (the "Bonds"), dated November 26, 2024, numbered R-1 upward, and of denominations of $5,000 or any integral multiple thereof. The Bonds are issued by the Board on behalf of the Taylor County School District ("District"). 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 Board in accordance with their terms, which, unless paid from other sources, are payable from taxes to be levied by the Board, without limitation as to rate or amount.

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; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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 Board has 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 Board and 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.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof, and specifically by current or future legislative proposals, which, if enacted into law, could adversely affect the tax exemption of the interest on the Bonds. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

APPENDIX F

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") is executed and delivered as of November 26, 2024, by the Board of Education of Taylor County, Kentucky (the "Issuer"), in connection with the issuance and delivery of $5,505,000 aggregate principal amount of General Obligation Bonds, Series 2024 (the "Obligations"). The Obligations are being issued under and in accordance with a resolution duly adopted by the Board of Education of the Issuer on October 14, 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. If audited financial statements are not available when the annual financial information is filed, unaudited financial statements shall be included, to be followed by audited financial statements when available.

"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;

(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 13, 2024.

"Operating Data" means an update of certain operating data of the Issuer, which is limited to the information provided in the FOS under the headings "OUTSTANDING BONDS", "BOND DEBT SERVICE", "DISTRICT STUDENT POPULATION", "LOCAL SUPPORT – Local Tax Rates, Property Assessment and Revenue Collections and SEEK Allotment".

"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: Board of Education of Taylor County, Kentucky

1209 E. Broadway

Campbellsville, Kentucky 42718

Attention: Chief Financial Officer

Telephone: (270) 465.5371

[SIGNATURE PAGE 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
TAYLOR COUNTY, KENTUCKY

____
Chairperson

Attest:

____

Secretary

APPENDIX G

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

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, 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 date 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 DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of any sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between the Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC 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, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of any notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants or Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the 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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 City 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 (as 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 detail information from The City or the Paying Agent, on the payable date in accordance with their respective holdings, as shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

APPENDIX H

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

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

OFFICIAL TERMS AND CONDITIONS OF BOND SALE
$5,505,000*
BOARD OF EDUCATION OF TAYLOR COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS, SERIES 2024

Notice is hereby given that electronic bids will be received by the Board of Education of the Taylor County, Kentucky (the "Board"), until 11:00 a.m., E.S.T. on November 7, 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 Board described herein (the "Bonds"). To be considered, Bids must be submitted on an Official Bid Form and delivered to the Secretary of the Board 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 Board.

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 on October 14, 2024 (the "Bond Resolution"). The Bonds are general obligation bonds and constitute a direct indebtedness of the Board. The Bonds are issued by the Board for the benefit of the Taylor County School District ("District"). The Bonds are secured by the Board'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 the costs of the construction of a pool at Taylor County High School (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 June 1 and December 1, commencing June 1, 2025.

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

Maturity	Amount*	Maturity	Amount*
December 1, 2025	$80,000	December 1, 2035	$280,000
December 1, 2026	80,000	December 1, 2036	295,000
December 1, 2027	85,000	December 1, 2037	305,000
December 1, 2028	85,000	December 1, 2038	320,000
December 1, 2029	90,000	December 1, 2039	330,000
December 1, 2030	95,000	December 1, 2040	345,000
December 1, 2031	95,000	December 1, 2041	360,000
December 1, 2032	100,000	December 1, 2042	725,000
December 1, 2033	110,000	December 1, 2043	790,000
December 1, 2034	115,000	December 1, 2044	820,000

The Bonds maturing on or after December 1, 2033 are subject to optional redemption on December 1, 2032 or any date thereafter, in whole or in part, in such order of maturity as shall be designated in writing

* Preliminary, subject to Permitted Adjustment as described herein.

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 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 $5,394,900 (98% of par). PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

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

(iv) Award; Adjustment. The determination of the best purchase bid for each of the Bonds will be made on the basis of the lowest net interest cost 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 $5,505,000 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 Board 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 or decreased in an amount up to 10% (the "Permitted Adjustment") and to pay the purchase price based upon the aggregate amount of the final issue.

The Board 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.

(v) Good Faith Deposit. The successful purchaser shall be required (without further advice from the Board) 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.

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

(vii) Submission of Bids. If submitted in physical form, each bid on the Official Bid Form shall be placed in a sealed envelope addressed to the Board, and on the outside of the envelope, there shall appear a legend identifying the same as being a bid for the "Board of Education of Taylor County, Kentucky General Obligation Bonds, Series of 2024." No bid will be given consideration unless it is actually received or is in the process of telephonic transfer in the office of the Executive Director of the Kentucky School Facilities Construction Commission before the time set forth at the beginning of these Official Terms and Conditions.

Notice is hereby given that electronic proposals will be received via BIDCOMP™/PARITY™, in the manner prescribed by these Official Terms and Conditions, until 11:00 a.m., E.S.T., on November 7, 2024, and no bid received after such time shall be accepted. Electronic bids for the Bonds must be submitted through the BIDCOMP™/PARITY™ system, and no other provider of electronic bidding services will be accepted. A subscription to the BiDCOMP™/PARITY™ System is required in order to submit an electronic bid for the Bonds. The Board will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time maintained by BiDCOMP™/PARITY™ shall constitute the official time with respect to all bids, whether in electronic or written form. Electronic bids made through the BiDCOMP™/PARITY™ facilities shall be deemed an offer to purchase in response to the Notice of Bond Sale, and shall be binding upon such bidders as if made by signed, sealed, and written bids delivered to the Board. The Board shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of the prospective bidders. 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 additional information regarding the BIDCOMP™/PARITY™ system, potential bidders may contact the Independent Registered Municipal Advisor or BIDCOMP™/PARITY™ at 40 West 23rd Street, 5th Floor, New York, New York 10010, Telephone: (212) 404-8102.

(viii) 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.

(ix) Bond Insurance. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal of and/or interest on the Bonds, the Board 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 Board shall not be liable to any extent therefor.

(x) 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.

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

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

(xiii) Official Statement. The Board 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.

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

(xv) Rights Reserved. The Board 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 Steptoe & Johnson PLLC, Louisville, Kentucky, which opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(xvi) 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.

(xvii) Purchaser Certification. The purchaser of the Bonds shall assist the Board in establishing the issue price of the Bonds and shall execute and deliver to the Board 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. All actions to be taken by the Board under these Official Terms and Conditions to establish the issue price of the Bonds may be taken on behalf of the Board by the Board's Independent Registered Municipal Advisor identified herein and any notice or report to be provided to the Board shall be provided to the Board's Independent Registered Municipal Advisor.

The Board 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 Board 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 Board 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 Board 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 Board shall advise the applicable winning bidder. The Board 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 Board 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 Board in establishing the issue price of the Bonds and shall execute and deliver to the Board 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).

The Board 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 Board 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 Board 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 H – Form of Continuing Disclosure Certificate" to the Preliminary Official Statement, 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 Board will agree to comply with the provisions of the Rule.

The Board 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. The Board'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; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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 Board has 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 G to the Preliminary 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 Board 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 Steptoe & Johnson PLLC.

Although Bond Counsel is of the opinion that 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 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 TAYLOR COUNTY, KENTUCKY

By: /s/ Charles Higdon, Jr., Secretary

APPENDIX I

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

OFFICIAL BID FORM

OFFICIAL BID FORM
BOARD OF EDUCATION OF TAYLOR COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS, SERIES 2024

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $5,505,000 * of General Obligation Bonds, Series 2024 (the "Bonds"), dated their date of initial issuance and delivery, offered for sale by the Board of Education of Taylor County, Kentucky (the "Board") in accordance with the Preliminary Official Statement dated November 26, 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 $5,505,000* principal amount of the Bonds, the total sum of $____________ (not less than $5,394,900) at the following annual rate(s), payable semiannually (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on December 1 in the years as follows:

Maturity	Amount*	Interest Rate	Maturity	Amount*	Interest Rate
Dec. 1, 2025	$80,000	________%	Dec. 1, 2035	$280,000	________%
Dec. 1, 2026	80,000	________%	Dec. 1, 2036	295,000	________%
Dec. 1, 2027	85,000	________%	Dec. 1, 2037	305,000	________%
Dec. 1, 2028	85,000	________%	Dec. 1, 2038	320,000	________%
Dec. 1, 2029	90,000	________%	Dec. 1, 2039	330,000	________%
Dec. 1, 2030	95,000	________%	Dec. 1, 2040	345,000	________%
Dec. 1, 2031	95,000	________%	Dec. 1, 2041	360,000	________%
Dec. 1, 2032	100,000	________%	Dec. 1, 2042	725,000	________%
Dec. 1, 2033	110,000	________%	Dec. 1, 2043	790,000	________%
Dec. 1, 2034	115,000	________%	Dec. 1, 2044	820,000	________%

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 and/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.

It is understood that the Board will furnish the final, approving legal opinion Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky.

* Preliminary, subject to change.

No certified or bank cashier's check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. 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 from November 7, 2024 to final maturity	$___________
Plus discount or less any premium	$___________
Net interest cost (Total interest cost plus discount)	$___________
Average interest rate or cost	_________________%

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

Accepted by the Secretary of the Board of Education of Taylor County, Kentucky for $_________________ principal amount of Bonds at the price of $_______________ as follows:

Maturity	Amount	Interest Rate	Maturity	Amount	Interest Rate
December 1, 2025	$_________	______%	December 1, 2035	$_________	______%
December 1, 2026	$_________	______%	December 1, 2036	$_________	______%
December 1, 2027	$_________	______%	December 1, 2037	$_________	______%
December 1, 2028	$_________	______%	December 1, 2038	$_________	______%
December 1, 2029	$_________	______%	December 1, 2039	$_________	______%
December 1, 2030	$_________	______%	December 1, 2040	$_________	______%
December 1, 2031	$_________	______%	December 1, 2041	$_________	______%
December 1, 2032	$_________	______%	December 1, 2042	$_________	______%
December 1, 2033	$_________	______%	December 1, 2043	$_________	______%
December 1, 2034	$_________	______%	December 1, 2044	$_________	______%

____
Secretary, Board of Education of Taylor County, Kentucky
Dated: November 7, 2024