

DATED JULY 8, 2025

NEW ISSUE

**Electronic Bidding via Parity®
NOT Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM**

**RATING
Moody's: " "**

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

\$50,570,000*
**MEADE COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2025**

Dated with Delivery: AUGUST 6, 2025

Due: as shown below

Interest on the Bonds is payable each February 1 and August 1, beginning February 1, 2026. The Bonds will mature as to principal on August 1, 2026, and thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of \$5,000 and integral multiples thereof.

Maturing		Interest	Reoffering	CUSIP	Maturing		Interest	Reoffering	CUSIP
1-Aug	Amount*	Rate	Yield		1-Aug	Amount*	Rate	Yield	
2026	\$15,000	%	%		2038	\$1,145,000	%	%	
2027	\$15,000	%	%		2039	\$1,205,000	%	%	
2028	\$15,000	%	%		2040	\$2,900,000	%	%	
2029	\$15,000	%	%		2041	\$3,005,000	%	%	
2030	\$15,000	%	%		2042	\$6,150,000	%	%	
2031	\$15,000	%	%		2043	\$6,455,000	%	%	
2032	\$120,000	%	%		2044	\$5,320,000	%	%	
2033	\$125,000	%	%		2045	\$5,645,000	%	%	
2034	\$130,000	%	%		2046	\$5,850,000	%	%	
2035	\$135,000	%	%		2047	\$5,950,000	%	%	
2036	\$140,000	%	%		2048	\$6,060,000	%	%	
2037	\$145,000	%	%						

The Bonds are subject to redemption prior to their stated maturity.

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

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

The Meade County (Kentucky) School District Finance Corporation will until July 16, 2025, at 11:00 A.M., E.D.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street - 5th Floor, Frankfort, Kentucky 40622.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed \$5,055,000.**

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

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

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

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



**MEADE COUNTY
BOARD OF EDUCATION**

Steve Orr, Chairperson
Dana Flaherty, Member
Alison Allen, Member
Nathan Beavin, Member
Sandy Smith, Member

Dr. Mark Martin, Superintendent/Secretary

**MEADE COUNTY (KENTUCKY) SCHOOL DISTRICT
FINANCE CORPORATION**

Steve Orr, Chairperson
Dana Flaherty, Member
Alison Allen, Member
Nathan Beavin, Member
Sandy Smith, Member

Dr. Mark Martin, Secretary
Rachel McCoy, Treasurer

BOND COUNSEL

Step toe & Johnson PLLC
Louisville, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

US Bank Trust Company, National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Meade County School District Finance Corporation School Building Revenue Bonds, Series of 2025, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

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

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

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

TABLE OF CONTENTS

	Page
Introduction	1
Book-Entry-Only System	1
The Corporation	3
Kentucky School Facilities Construction Commission	3
Biennial Budget for Period Ending June 30, 2026	4
Outstanding Bonds	4
Authority	5
The Bonds	5
General	5
Registration, Payment and Transfer	5
Redemption	5
Security	6
General	6
The Lease; Pledge of Rental Revenues	6
Authorization of General Obligation Bonds	6
Commission’s Participation	6
State Intercept	6
Additional Parity Bonds	7
The Project	7
Kentucky Department of Education Supervision	7
Estimated Bond Debt Service	8
Estimated Use of Bond Proceeds	9
District Student Population	9
State Support of Education	9
Support Education Excellence in Kentucky (SEEK)	9
Capital Outlay Allotment	9
Facilities Support Program of Kentucky	10
Local Support	11
Homestead Exemption	11
Limitation on Taxation	11
Local Thirty Cents Minimum	11
Additional 15% Not Subject to Recall	11
Assessment Valuation	11
Special Voted and Other Local Taxes	11
Local Tax Rates, Property Assessments and Revenue Collections	12
Overlapping Bond Indebtedness	12
SEEK Allotment	13
State Budgeting Process	13
Potential Legislation	14
Continuing Disclosure	14
Tax Exemption; Not Bank Qualified	14
Original Issue Premium	15
Original Issue Discount	15
Absence of Material Litigation	15
Approval of Legality	16
No Legal Opinion Expressed as to Certain Matters	16
Bond Rating	16
Municipal Advisor	16
Approval of Official Statement	16
Demographic and Economic Data	APPENDIX A
Financial Data	APPENDIX B
Continuing Disclosure Agreement	APPENDIX C
Official Terms & Conditions of Bond Sale	APPENDIX D
Official Bid Form	APPENDIX E

**OFFICIAL STATEMENT
Relating to the Issuance of**

\$50,570,000*

**MEADE COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2025**

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Meade County School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2025 (the "Bonds").

The Bonds are being issued to finance renovations to Meade County High School (the "Project").

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

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

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

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Lease Agreement, dated August 6, 2025, may be obtained at the office of Steptoe & Johnson PLLC, Bond Counsel, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry

transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

THE CORPORATION

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

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

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately \$5,697 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2026; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period through June 1, 2046, but such execution does not obligate the Commission to do so.

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

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

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

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2026

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

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

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

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

OUTSTANDING BONDS

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

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2013-REF	\$9,015,000	\$1,265,000	\$8,467,583	\$547,417	3.550% - 3.650%	2029
2015-REF	\$7,080,000	\$1,485,000	\$7,080,000	\$0	2.500% - 2.625%	2026
2016-REF	\$11,825,000	\$2,595,000	\$11,371,238	\$453,762	5.000%	2026
2016	\$15,665,000	\$14,350,000	\$13,044,530	\$2,620,470	3.000%	2036
2017-REF	\$3,590,000	\$1,145,000	\$3,590,000	\$0	2.200%	2028
2018	\$22,510,000	\$22,400,000	\$22,510,000	\$0	3.000% - 4.000%	2038
2019	\$9,165,000	\$8,835,000	\$9,121,226	\$43,774	2.000% - 2.750%	2039
2020	\$3,350,000	\$3,200,000	\$3,350,000	\$0	2.000% - 2.625%	2040
2022-REF	\$6,985,000	\$5,525,000	\$202,798	\$6,782,202	4.000% - 5.000%	2032
2022	\$14,135,000	\$14,080,000	\$14,135,000	\$0	3.500% - 3.625%	2042
TOTALS:	\$103,320,000	\$74,880,000	\$92,872,375	\$10,447,625		

AUTHORITY

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

- i) the issuance of approximately \$50,570,000 of Bonds subject to a permitted adjustment of \$5,055,000;
- ii) the advertisement for the public sale of the Bonds;
- iii) the Official Terms and Conditions for the sale of the Bonds to the successful bidder; and,
- iv) the President and Secretary of the Corporation to execute certain documents relative to the sale and delivery of the Bonds.

THE BONDS

General

The Bonds will be dated August 6, 2025, will bear interest from that date as described herein, payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2026, and will mature as to principal on August 1, 2026, and thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully-registered form (both principal and interest). US Bank Trust Company, National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on February 1 and August 1 of each year, beginning February 1, 2026 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after August 1, 2034, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after August 1, 2033, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Redemption Date	Redemption Price
August 1, 2033, and thereafter	100%

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

SECURITY

General

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

The Lease; Pledge of Rental Revenues

The Board has leased the school building Project securing the Bonds for an initial period from August 6, 2025, through June 30, 2026, with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until June 1, 2048, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

Authorization of General Obligation Bonds

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

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for annual participation equal to approximately \$5,697 from the Commission's appropriation by the Kentucky General Assembly which will be used to meet all of the debt service of the Bonds. The plan for financing the Project will require the Commission to pay approximately one percent (1%) of the debt service of the Bonds.

The Participation Agreement to be entered into with the Board will be limited to the biennial budget period of the Commonwealth of Kentucky, with the first such biennial period terminating on June 30, 2026. The right is reserved in the Commission to terminate the commitment to pay the agreed participation every two years thereafter. The obligation of the Commission to make payments of the agreed participation shall be automatically renewed each two years thereafter unless the Commission gives notice to the Board of its intention not to participate not less than sixty days prior to the end of the biennium. However, the Commission has expressed its intention to continue to pay the agreed participation in successive biennial budget periods through June 1, 2045, but the Commission is not required to do so.

STATE INTERCEPT

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

ADDITIONAL PARITY BONDS

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

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance renovations to Meade County High School (the "Project").

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

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

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

Kentucky statutes, and the regulations of the Kentucky Department of Education ("KDE") issued there-under, generally require that a local school district submit to KDE for its prior approval the district's plans for the funding, financing, design, construction, renovation, and modification of school facilities. House Bill 678 of the 2022 Regular Session of the Kentucky General Assembly (2022 Ky. Acts, Ch. 185, hereinafter referred to as "HB 678"), enacted and effective April 8, 2022, eliminated until June 30, 2024 this requirement of prior approval for local school districts which elect by resolution to proceed without such prior approval and which so notify the Department. The District has adopted such a resolution and has so notified KDE. House Bill 727 of the 2024 Regular Session of the Kentucky General Assembly (2024 Ky Acts, Ch 126. Hereinafter re-ferred to as "HB 727"), enacted and effective April 24, 2024, extended the provisions of HB 678 through June 30, 2027.

Notwithstanding HB 678, and HB 727, KDE's supervision of local school districts continues to apply other areas of local school finance, including supervision of general operations such as the examination of business methods and accounts of a school district, requirements of prompt, detailed reports of receipts and expenditures and the annual approval of the district's operating budget. All local school boards which have entered into contracts for the issuance of bonds must maintain insurance protection in an amount equal to the full insurable value of the buildings financed by the bonds. This State Department of Education supervision and control is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in payment of its revenue bonds for school purposes.

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet 99% of the debt service of the Bonds.

Fiscal Year	Current Restricted Fund Bond Payments	----- School Building Revenue Bonds, Series 2025 -----					Total Restricted Fund Bond Payments
		Principal Portion	Interest Portion	Total Payment	SFCC Portion	Local Portion	
Ending June 30							
2025	\$6,107,661						\$6,107,661
2026	\$6,154,859		\$1,152,646	\$1,152,646	\$1,424	\$1,151,222	\$7,306,081
2027	\$6,158,308	\$15,000	\$2,370,921	\$2,385,921	\$5,697	\$2,380,224	\$8,538,533
2028	\$6,103,436	\$15,000	\$2,370,449	\$2,385,449	\$5,697	\$2,379,752	\$8,483,188
2029	\$6,103,574	\$15,000	\$2,369,976	\$2,384,976	\$5,697	\$2,379,279	\$8,482,853
2030	\$6,107,435	\$15,000	\$2,369,504	\$2,384,504	\$5,697	\$2,378,807	\$8,486,242
2031	\$6,109,280	\$15,000	\$2,369,016	\$2,384,016	\$5,697	\$2,378,319	\$8,487,599
2032	\$6,105,863	\$15,000	\$2,368,514	\$2,383,514	\$5,697	\$2,377,817	\$8,483,680
2033	\$5,934,849	\$120,000	\$2,366,193	\$2,486,193	\$5,697	\$2,480,496	\$8,415,345
2034	\$5,932,831	\$125,000	\$2,361,904	\$2,486,904	\$5,697	\$2,481,207	\$8,414,038
2035	\$5,932,706	\$130,000	\$2,357,313	\$2,487,313	\$5,697	\$2,481,616	\$8,414,321
2036	\$5,933,787	\$135,000	\$2,352,341	\$2,487,341	\$5,697	\$2,481,644	\$8,415,431
2037	\$5,930,186	\$140,000	\$2,346,978	\$2,486,978	\$5,697	\$2,481,281	\$8,411,467
2038	\$5,927,613	\$145,000	\$2,341,276	\$2,486,276	\$5,697	\$2,480,579	\$8,408,192
2039	\$4,804,531	\$1,145,000	\$2,314,581	\$3,459,581	\$5,697	\$3,453,884	\$8,258,415
2040	\$4,793,917	\$1,205,000	\$2,264,915	\$3,469,915	\$5,697	\$3,464,218	\$8,258,135
2041	\$3,188,588	\$2,900,000	\$2,174,483	\$5,074,483	\$5,697	\$5,068,786	\$8,257,373
2042	\$3,170,925	\$3,005,000	\$2,041,594	\$5,046,594	\$5,697	\$5,040,897	\$8,211,822
2043		\$6,150,000	\$1,831,780	\$7,981,780	\$5,697	\$7,976,083	\$7,976,083
2044		\$6,455,000	\$1,538,638	\$7,993,638	\$5,697	\$7,987,941	\$7,987,941
2045		\$5,320,000	\$1,260,595	\$6,580,595	\$5,697	\$6,574,898	\$6,574,898
2046		\$5,645,000	\$998,765	\$6,643,765	\$4,273	\$6,639,492	\$6,639,492
2047		\$5,850,000	\$722,885	\$6,572,885		\$6,572,885	\$6,572,885
2048		\$5,950,000	\$438,198	\$6,388,198		\$6,388,198	\$6,388,198
2049		\$6,060,000	\$146,955	\$6,206,955		\$6,206,955	\$6,206,955
TOTALS:	\$100,500,349	\$50,570,000	\$45,230,417	\$95,800,417	\$113,940	\$95,686,477	\$196,186,826

Notes: Numbers are rounded to the nearest \$1.00

ESTIMATED USE OF BOND PROCEEDS

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

Sources:	
Par Amount of Bonds	\$50,570,000.00
Total Sources	\$50,570,000.00
Uses:	
Deposit to Construction Fund	\$49,287,470.00
Underwriter's Discount (2%)	1,011,400.00
Cost of Issuance	271,130.00
Total Uses	\$50,570,000.00

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2004-05	4,265.4	2015-16	4,507.7
2005-06	4,471.5	2016-17	4,467.5
2006-07	4,418.4	2017-18	4,465.7
2007-08	4,508.8	2018-19	4,453.1
2008-09	4,481.2	2019-20	4,372.9
2009-10	4,530.2	2020-21	4,346.9
2010-11	4,610.9	2021-22	4,513.4
2011-12	4,600.5	2022-23	4,513.4
2012-13	4,601.3	2023-24	4,448.4
2013-14	4,582.0	2024-25	4,425.5
2014-15	4,562.6		

Source: Kentucky State Department of Education.

STATE SUPPORT

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

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

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

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

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

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2004-05	426,540.0	2015-16	450,775.0
2005-06	447,150.0	2016-17	446,750.0
2006-07	441,840.0	2017-18	446,570.0
2007-08	450,880.0	2018-19	443,313.6
2008-09	448,117.0	2019-20	437,290.0
2009-10	453,015.0	2020-21	434,686.4
2010-11	461,085.0	2021-22	451,344.0
2011-12	460,051.0	2022-23	451,344.0
2012-13	460,134.0	2023-24	444,836.1
2013-14	458,196.0	2024-25	442,551.2
2014-15	456,263.0		

Source: Kentucky State Department of Education.

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

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

- 1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;
- 2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,
- 3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes \$6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to \$49,100 effective January 1, 2025.

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

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

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

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

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

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

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

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

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2004-05	54.9	982,539,648	5,394,143
2005-06	56.1	1,051,896,328	5,901,138
2006-07	60.2	1,101,347,758	6,630,114
2007-08	56.1	1,200,384,552	6,734,157
2008-09	58.8	1,251,471,640	7,358,653
2009-10	58.8	1,294,738,418	7,613,062
2010-11	56.9	1,334,581,059	7,593,766
2011-12	55.5	1,384,070,607	7,681,592
2012-13	54.9	1,419,499,460	7,793,052
2013-14	58.0	1,448,042,880	8,398,649
2014-15	59.0	1,503,331,885	8,869,658
2015-16	59.9	1,545,969,587	9,260,358
2016-17	59.2	1,597,503,232	9,457,219
2017-18	61.3	1,635,370,508	10,024,821
2018-19	66.9	1,682,301,394	11,254,596
2019-20	65.7	1,743,861,793	11,457,172
2020-21	66.4	1,819,161,119	12,079,230
2021-22	67.4	1,906,027,242	12,846,624
2022-23	67.1	2,069,280,055	13,884,869
2023-24	66.3	2,199,516,255	14,582,793
2024-25	65.0	2,371,759,725	15,416,438

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Meade County School District or other issuing agency within Meade County as reported by the State Local Debt Officer for the period ending June 30, 2024.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
Meade County General Obligation	5,750,000	4,995,000	755,000
City of Brandenburg Wastewater Revenue	8,940,000	869,167	8,070,833
City of Muldraugh General Obligation	255,000	101,250	153,750
Water Revenue	1,467,000	244,000	1,223,000
Special Districts			
Meade County Extension District	879,000	115,000	764,000
Meade County Public Library	4,200,000	1,125,000	3,075,000
Meade County Water District	7,710,170	1,478,500	6,231,670
Totals:	29,201,170	8,927,917	20,273,253

Source: 2024 Kentucky Local Debt Report.

SEEK ALLOTMENT

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

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2004-05	17,443,969	5,394,143	22,838,112
2005-06	19,561,823	5,901,138	25,462,961
2006-07	19,896,528	6,630,114	26,526,642
2007-08	22,049,961	6,734,157	28,784,118
2008-09	22,031,794	7,358,653	29,390,447
2009-10	19,864,519	7,613,062	27,477,581
2010-11	20,086,010	7,593,766	27,679,776
2011-12	21,472,781	7,681,592	29,154,373
2012-13	21,366,669	7,793,052	29,159,721
2013-14	21,335,223	8,398,649	29,733,872
2014-15	21,878,682	8,869,658	30,748,340
2015-16	21,835,926	9,260,358	31,096,284
2016-17	21,378,411	9,457,219	30,835,630
2017-18	21,336,787	10,024,821	31,361,608
2018-19	21,371,942	11,254,596	32,626,538
2019-20	20,353,169	11,457,172	31,810,341
2020-21	18,949,111	12,079,230	31,028,341
2021-22	20,646,927	12,846,624	33,493,551
2022-23	21,505,368	13,884,869	35,390,237
2023-24	21,628,247	14,582,793	36,211,040
2024-25	23,055,558	15,416,438	38,471,996

- (1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at \$100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.
- (2) The Board established a current equivalent tax rate (CETR) of \$0.6500 for FY 2024-25. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

- i) Each district board of education is required to prepare a general school budget on forms prescribed and furnished by the Kentucky Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the school during the succeeding fiscal year and the estimated amount that will be received from all sources.
- ii) By September 15 of each year, after the district receives its tax assessment data from the Department of Revenue and the State Department of Education, 3 copies of the budget are forwarded to the State Department for approval or disapproval.
- iii) The State Department of Education has adopted a policy of disapproving a school budget if it is financially unsound or fails to provide for:
 - a) payment of maturing principal and interest on any outstanding voted school improvement bonds of the district or payment of rental in connection with any outstanding school building revenue bonds issued for the benefit of the school district; or
 - b) fails to comply with the law.

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE

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

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

Financial information regarding the Board may be obtained from Superintendent, Meade County Board of Education, 1155 Old Ekron Road, Brandenburg, Kentucky 40108 (270) 422-7500.

TAX EXEMPTION; NOT BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

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

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of more than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2025, the Bonds are not "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

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

Original Issue Premium

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

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

Original Issue Discount

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

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

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

ABSENCE OF MATERIAL LITIGATION

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

APPROVAL OF LEGALITY

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

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

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

BOND RATING

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

MUNICIPAL ADVISOR

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

APPROVAL OF OFFICIAL STATEMENT

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

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

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

By /s/ _____
President

By /s/ _____
Secretary

APPENDIX A

Meade County School District Finance Corporation School Building Revenue Bonds Series of 2025

Demographic and Economic Data

MEADE COUNTY, KENTUCKY

Brandenburg, the county seat of Meade County, is situated on the south bank of the Ohio River north-central Kentucky. Brandenburg is located 46 miles southwest of Louisville, Kentucky; 147 miles southwest of Cincinnati, Ohio; and 162 miles north of Nashville, Tennessee. Brandenburg had an estimated 2024 population of 2,904 persons.

Meade County covers a land area of 308 square miles. The Ohio River forms the entire northern boundary of the county. Meade County had an estimated 2024 population of 30,288 persons.

The Economic Framework

In 2024, Meade County had a labor force of 15,506 people, with an unemployment rate of 5.70%. The top 5 jobs by occupation were as follows: Education, Training/Library - 573 (11.92%); Office and Administrative Support - 549 (11.42%); Executive, Managers, and Administrators - 528 (10.98%); Sales - 469 (9.76%); and Food Preparation/Serving - 339 (7.05%).

Transportation

AAA-rates trucking highways serving Meade County include U.S. Highway 60, and Kentucky Routes 79 and 448. Interstate 64 is accessible 19 miles north of Brandenburg. Interstate 65 and two of Kentucky's parkways are accessible 34 miles southeast of the city. Fourteen common carrier trucking companies provide interstate and/or interstate service to Brandenburg. CSX Transportation provides main line rail service to Brandenburg. The nearest scheduled commercial airline service is available at the Louisville International Airport, 50 miles northeast. The Breckinridge County Airport, 29 miles south of Brandenburg, maintains a 3,500-foot runway and Addington Field, 38 miles southeast of Brandenburg, maintains a 5,000-foot runway. The Ohio River forms the northern boundary of Meade County where a nine-foot navigation channel is maintained.

Power and Fuel

Electric power is provided to Brandenburg and Meade County by the Louisville Gas and Electric Company and the Meade County Rural Electric Cooperative Corporation. Natural gas service is provided by the Louisville Gas and Electric Company.

Education

Primary and secondary education is provided to Brandenburg and Meade County by the Meade County School System. Six colleges and universities are located within 50 miles of Brandenburg. Vocational training is available at the Elizabethtown Regional Technology Center, 34 miles southeast of Brandenburg, and locally at the Meade County Area Technology Center.

LOCAL GOVERNMENT

Structure

The City of Brandenburg is served by a mayor and six council members. The mayor serves a four-year term and the council members serve two-year terms. Meade County is served by a county judge/executive and six magistrates. The county judge/executive and magistrates are elected to four-year terms.

Planning and Zoning

City agency - City of Brandenburg Planning & Zoning Commission
Zoning enforced - Within city limits
Subdivision regulations enforced - Within city and two miles beyond corporate limits
Mandatory state codes enforced - Kentucky Plumbing Code, National Electric Code, Kentucky Boiler Regulations and Standards, Kentucky Building Code (modeled after BOCA code)

Local Fees and Licenses

The City of Brandenburg levies an annual \$20 business license fee on businesses and professions operating within the city. A five percent insurance premium tax is levied on policies written within the corporate limits of the city and a \$20 unloading fee is required annually.

LABOR MARKET STATISTICS

The Brandenburg Labor Market Area includes Meade County and the adjoining Kentucky counties of Breckinridge, Hardin and Bullitt. Although not included in the statistics below, the Brandenburg Labor Market Area is supplemented by the Indiana counties of Harrison and Floyd, across the Ohio River from Brandenburg.

Population

<u>Area</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Brandenburg	2,898	2,802	2,904
Meade County	31,118	30,165	30,288

Source: Kentucky Cabinet for Economic Development.

Population Projections

<u>Area</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>
Meade County	30,300	30,027	29,508

Source: Kentucky State Data Center, University of Louisville.

EDUCATION

Public Schools

	<u>Meade County</u>
Total Enrollment (2023-2024)	4,737
Pupil To Teacher Ratio (2023-2024)	18.0 - 1

Source: Kentucky Department of Education.

Vocational Training

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

Bluegrass State Skills Corporation

The Bluegrass State Skills Corporation, an independent public corporation created and funded by the Kentucky General Assembly, provides programs of skills training to meet the needs of business and industry from entry level to advanced training, and from upgrading present employees to retraining experienced workers.

The Bluegrass State Skills corporation is a major source for skills training assistance for a new or existing company. The Corporation works in partnership with other employment and job training resources and programs, as well as Kentucky's economic development activities, to package a program customized to meet the specific needs of a company.

<u>Vocational School</u>	<u>Location</u>	<u>Enrollment (2023-2024)</u>
Breckinridge County ATC	Harned, KY	622
Bullitt County ATC	Shepherdsville, KY	672
Marion County ATC	Lebanon, KY	693
Meade County ATC	Brandenburg, KY	508
Nelson County ATC	Bardstown, KY	887
Ohio County ATC	Hartford, KY	559
Shelby County ATC	Shelbyville, KY	473

Colleges and Universities

<u>Name</u>	<u>Location</u>	<u>Undergraduate Enrollment (Fall 2024)</u>
Bellarmino College	Louisville, KY	2,351
Brescia University	Louisville, KY	551
Indiana University Southeast	New Albany, IN	3,286
Kentucky Wesleyan College	Owensboro, KY	833
University of Louisville	Louisville, KY	16,194

EXISTING INDUSTRY

Meade County has a total of 688 businesses. In 2024, the leading industries in Meade County were Education, Retail, Accommodation and Food Services, and Other Services - Repair, Personal Care, Laundry, Religious, etc.

<u>Top Industries by Job</u>	<u>Number of Jobs</u>
Education	857
Retail	517
Accommodation and Food Services	432
Other Services - Retail, Personal Care, Laundry, Religious, etc.	430

APPENDIX B

**Meade County School District Finance Corporation
School Building Revenue Bonds
Series of 2025**

Audited Financial Statement ending June 30, 2024

**MEADE COUNTY
SCHOOL DISTRICT
AUDIT REPORT
JUNE 30, 2024**

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management Discussion and Analysis	4-10
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to Basic Financial Statements	20-52
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	53
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	54
Schedule of District's Proportionate Share of Net Pension Liability – Teachers' Retirement System	55
Schedule of District's Proportionate Share of Net Pension Liability – County Employees Retirement System	56
Schedule of Contributions to the Teachers Retirement System	57

TABLE OF CONTENTS (CONTINUED)

Schedule of Contributions to the County Employees Retirement System	58
Schedule of District's Proportionate Share of the Net OPEB Liability – Medical Insurance - CERS	59
Schedule of District's Proportionate Share of the Net OPEB Liability – Medical Insurance - TRS	60
Schedule of District's Proportionate Share of the Net OPEB Liability – Life Insurance - TRS	61
Schedule of Contributions to the Medical Insurance Plan - CERS	62
Schedule of Contributions to the Medical Insurance Plan - TRS	63
Schedule of Contributions to the Life Insurance Plan - TRS	64
Notes to Required Supplementary Information	65-71
Other Supplementary Information:	
Combining Statement – Non-Major Funds:	
Combining Balance Sheet – Non-Major Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	73
Combining Statement of Revenues, Expenditures and Fund Balances – Student Activity Funds	74
Statement of Receipts, Disbursements and Fund Balance – High School Activity Fund	75
Schedule of Expenditures of Federal Awards	76
Notes to Schedule of Expenditures of Federal Awards	77
Schedule of Findings and Questioned Costs	78
Schedule of Prior Year Audit Findings	79
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 <i>Government Auditing Standards</i>	80-81
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required the Uniform Guidance	82-84
Management Letter Comments	85-86
Letter to Those Charged with Governance	87-89

MONTGOMERY & COMPANY, P.L.L.C

Certified Public Accountants

710 Highway 208

Lebanon, KY 40033

270-995-2474

Joseph A. Montgomery, CPA

Email joe.montgomery@jamcpas.com

November 15, 2024

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Meade County School District
Brandenburg, Kentucky

Report on the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meade County School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Meade County School District's basic financial statements as listed in the table of contents.

In my 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 Meade County School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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, *Appendix I to the Independent Auditor's Contract – Audit Extension Request*, *Appendix II to the Independent Auditor's Contract – Instructions for Submission of the Audit Contract, Audit Acceptance Statement, AFR and Balance Sheet, Statement of Certification, and Audit Report*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Meade County School District and to meet my ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Meade 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 Financial Statement

My 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 my 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Meade 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Meade County School District's ability to continue as a going concern for a reasonable period of time.

I am 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 matters that I 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 the district's proportionate share of net pension liabilities, and the schedules of the district's proportionate share of net other post-employment benefits on pages 4 through 10, 53 through 56, and 59 through 61 be presented to

supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Meade County School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the statement of receipts, disbursements and fund balance – High School Activity Fund, and the 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 my opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 15, 2024, on my consideration of Meade County School District's internal control over financial reporting and on my 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 my 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 Meade County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meade County School District's internal control over financial reporting and compliance.

Sincerely,

Montgomery & Company, P.L.L.C.

Certified Public Accountants

**MEADE COUNTY SCHOOL DISTRICT – BRANDENBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

This discussion and analysis of Meade County School District’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to review the School District’s financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District’s financial performance.

FINANCIAL HIGHLIGHTS

- The General Fund had \$45.6 million in revenues, which primarily consisted of funding from the state’s Support Education Excellence in Kentucky (SEEK) program and revenues from taxes, which include property taxes, motor vehicle taxes, and utility taxes. This compares to \$46.8 million in General Fund revenues for the prior year, which is a 3% decrease.
- Net General Fund SEEK revenue for the year was \$21.2 million compared to \$21 million for the prior year. This represents a 1% increase.
- The federal government awarded the District multiple grants to specifically address the COVID 19 pandemic. The District spent \$1.7 million in various ESSER grant funds during the year.
- Bond payments for fiscal year 2024 totaled \$3.7 million in principal payments and \$2.7 million in interest payments, totaling \$6.4 million. With current bond obligations, the amount of restricted bond payments including interest due in fiscal year 2025 totals \$6.5 million.

USING THIS ANNUAL REPORT

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 deferred outflows and liabilities and deferred inflows, with the difference 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 11 - 12 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. There is a state mandated uniform accounting system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. The proprietary funds are our food service operation. The only fiduciary funds are agency funds. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 13 -19 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 20-52 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$37 million as of June 30, 2024.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment and construction in progress); less any related debt used to acquire those assets that is 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 periods ending June 30, 2024 and 2023
(Table 1)**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 19,238,241	\$ 18,228,418	1,578,760	1,977,914	20,817,001	20,206,332
Capital Assets	<u>124,096,531</u>	<u>126,454,564</u>	<u>484,813</u>	<u>234,036</u>	<u>124,581,344</u>	<u>126,688,600</u>
Total Assets	<u>143,334,772</u>	<u>144,682,982</u>	<u>2,063,573</u>	<u>2,211,950</u>	<u>145,398,345</u>	<u>146,894,932</u>
Deferred Outflows	<u>11,363,870</u>	<u>12,401,584</u>	<u>938,788</u>	<u>844,620</u>	<u>12,302,658</u>	<u>13,246,204</u>
Current Liabilities	5,999,477	6,167,449	75,600	19,862	6,075,077	6,187,311
Non-Current Liabilities	<u>97,592,105</u>	<u>109,530,232</u>	<u>2,085,140</u>	<u>2,766,553</u>	<u>99,677,245</u>	<u>112,296,785</u>
Total Liabilities	<u>103,591,582</u>	<u>115,697,681</u>	<u>2,160,740</u>	<u>2,786,415</u>	<u>105,752,322</u>	<u>118,484,096</u>
Deferred Inflows	<u>14,162,215</u>	<u>8,957,698</u>	<u>1,272,572</u>	<u>654,468</u>	<u>15,434,787</u>	<u>9,612,166</u>
Net Position						
Investment in capital assets (net of debt)	44,411,955	42,124,012	439,905	234,036	44,851,860	42,358,048
Restricted	3,042,675	4,409,850	0	0	3,042,675	4,409,850
Other Purposes	0	0	(870,856)	(618,349)	(870,856)	(618,349)
Unrestricted	<u>(10,509,785)</u>	<u>(14,104,675)</u>	<u>0</u>	<u>0</u>	<u>(10,509,785)</u>	<u>(14,104,675)</u>
Total Net Position	<u><u>36,944,845</u></u>	<u><u>32,429,187</u></u>	<u><u>(430,951)</u></u>	<u><u>(384,313)</u></u>	<u><u>36,513,894</u></u>	<u><u>32,044,874</u></u>

Comments on Budget Comparisons

- The District's total revenues for the fiscal year ended June 30, 2024, net of interfund transfers, were \$65.4 million.
- General fund budget compared to actual revenue varied from line item to line item with the ending actual balance being \$14 million more than budget or approximately 45%. The variance is primarily explained by unbudgeted on-behalf payments made by the State of Kentucky in the amount of \$11 million for employee retirement and insurance.
- General fund budget expenditures to actual varied significantly in Instruction. The variance for instructional expenses is caused by the state on-behalf payments detailed above.

**Summary of Changes in Net Position for the periods ending June 30, 2024 and 2023
(Table 2)**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
REVENUES:	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Program revenues:						
Charges for Services	81,763	77,822	103,637	113,648	185,400	191,470
Operating grants and contributions	6,977,109	7,501,641	3,972,589	3,883,219	10,949,698	11,384,860
Capital grants and contributions	82,207	86,595	-	-	82,207	86,595
General revenues:						
Property taxes	11,021,115	10,496,894	-	-	11,021,115	10,496,894
Motor vehicle taxes	1,775,640	1,730,047	-	-	1,775,640	1,730,047
Utility taxes	2,005,300	1,840,589	-	-	2,005,300	1,840,589
Other taxes	47,833	59,548	-	-	47,833	59,548
Investment earnings	1,156,629	514,262	92,586	43,727	1,249,215	557,989
State and formal grants	36,733,666	39,428,997	-	-	36,733,666	39,428,997
Gain (loss) on asset disposal	37,785	(352,667)	10,089	-	47,874	(352,667)
Miscellaneous	1,434,195	1,369,211	(90,543)	(148,706)	1,343,652	1,220,505
Total Revenues	<u>61,353,242</u>	<u>62,752,939</u>	<u>4,088,358</u>	<u>3,891,888</u>	<u>65,441,600</u>	<u>66,644,827</u>
EXPENSES:						
Program Activities:						
Instruction	34,189,433	37,778,092	-	-	34,189,433	37,778,092
Student Support	3,417,040	3,285,804	-	-	3,417,040	3,285,804
Instructional staff support	1,684,949	1,751,258	-	-	1,684,949	1,751,258
District administrative support	1,314,127	1,181,226	-	-	1,314,127	1,181,226
School administrative support	2,513,418	2,408,854	-	-	2,513,418	2,408,854
Business support	844,786	898,171	-	-	844,786	898,171
Plant operation and maintenance	5,070,113	4,820,193	-	-	5,070,113	4,820,193
Student transportation	4,471,242	4,439,586	-	-	4,471,242	4,439,586
Facilities acquisition	383,969	-	-	-	383,969	-
Community service activities	419,788	404,594	-	-	419,788	404,594
Other	354	-	-	-	354	-
Interest cost	2,528,365	2,619,611	-	-	2,528,365	2,619,611
Business-type Activities:						
Food service	-	-	4,134,996	3,761,839	4,134,996	3,761,839
Total Expenses	<u>56,837,584</u>	<u>59,587,389</u>	<u>4,134,996</u>	<u>3,761,839</u>	<u>60,972,580</u>	<u>63,349,228</u>
Change in Net Position	<u>4,515,658</u>	<u>3,165,550</u>	<u>(46,638)</u>	<u>130,049</u>	<u>4,469,020</u>	<u>3,295,599</u>

Governmental Activities

Instruction comprises 60% of governmental program expenditures. Support services expense are 34% of government expenses. Interest costs and other account for the remaining 6%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Cost of Governmental Activities
(Table 3)**

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	34,189,433	37,778,092	28,778,969	32,109,472
Support Services	19,315,675	18,785,092	18,110,876	17,284,847
Other	804,111	404,594	360,502	(6,115)
Interest Costs	2,528,365	2,619,611	2,446,158	2,533,016
Total Expenses	56,837,584	59,587,389	49,696,505	51,921,220

Business-Type Activities

The business-type activities include the food service operation. This program had total revenue of \$4,088,358 and expenses of \$4,134,996 for fiscal year 2024. Of the revenues, \$103,637 was charges for services, and \$3,972,589 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity.

The School District’s Funds

Information about the School District’s major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$69 million and expenditures and other financing uses of \$68 million.

General Fund-Budget Highlights

The School District’s budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process. It is the District’s practice to not include state on-behalf payments in the budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had \$123.8 million invested in land, buildings, equipment, and vehicles. Of this total, \$123 million were in governmental activities. Table 4 shows fiscal year 2024 and 2023 balances.

**Capital Assets at June 30, 2024 and 2023
Net of Depreciation
(Table 4)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	3,347,618	3,347,618	-	-	3,347,618	3,347,618
Buildings and improvements	116,056,224	106,406,149	-	-	116,056,224	106,406,149
Technology	43,724	103,367	1,787	1,913	45,511	105,280
Vehicles	3,273,840	3,224,123	-	-	3,273,840	3,224,123
General equipment	638,993	575,972	438,118	232,123	1,077,111	808,095
Total	123,360,399	113,657,229	439,905	234,036	123,800,304	113,891,265
Construction in progress	-	12,585,580	-	-	-	12,585,580
Total	123,360,399	126,242,809	439,905	234,036	123,800,304	126,476,845

**Changes in Capital Assets for the periods ended June 30, 2024 and 2023
(Table 5)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Beginning Balance	126,242,809	120,799,274	234,036	256,942	126,476,845	121,056,216
Additions	2,098,096	10,874,804	267,516	28,213	2,365,612	10,903,017
Retirements	(686,460)	(1,267,754)	(113,503)	-	(799,963)	(1,267,754)
Depreciation	(4,294,046)	(4,163,515)	51,856	(51,119)	(4,242,190)	(4,214,634)
Ending Balance	123,360,399	126,242,809	439,905	234,036	123,800,304	126,476,845

As of June 30, 2024 there was no construction work in process. Capital Assets associated with buildings and improvements increased by \$9,650,075, with renovations at Flaherty Elementary and David T. Wilson Elementary representing 99% of this increase.

Debt

At June 30, 2024, the School District had \$78,670,000 in bonds outstanding; of this amount \$2,856,483 is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$3,790,000 is due within one year.

District Challenges for the Future

Meade County School District continues to be financially sound. However, the current state and national financial climate requires the District to remain prudent. The nationwide labor shortage and inflation in the costs of supplies are concerns for the District. In addition, the state administered employee pension plans continue to be underfunded. This has placed a large possible future liability on all Kentucky School Districts.

Meade County Schools will continue to use careful planning and monitoring of finances to provide a quality education for students and a secure financial future for the school district.

Future Budgetary Implications

In Kentucky, the public schools' fiscal year is July 1 – June 30; other programs, i.e. some federal programs, operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget for 2024 – 2025 with a contingency greater than the required minimum of 2%.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Susan Fackler, CPA, Finance Officer, 1155 Old Ekron Road, Brandenburg, Kentucky, 40108, (270) 422-7500.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents - Note C	18,088,530	1,305,014	19,393,544
Accounts Receivable:			
Taxes - Current	651,966		651,966
Taxes - Delinquent	7,437		7,437
Accounts	60,691		60,691
Prepaid Expenses	131,067		131,067
Intergovernmental - Federal	298,550	202,852	501,402
Inventories for Consumption		70,894	70,894
Total Current Assets	19,238,241	1,578,760	20,817,001
Noncurrent Assets - Notes G			
Net OPEB Benefit - CERS	295,534	44,908	340,442
Right to Use Asset - Net of Amortization	200,896		200,896
Subscription - Based IT Asset - Net of Amortization	239,702		239,702
Non-Depreciable Capital Assets	3,347,618		3,347,618
Depreciable Capital Assets - Net of Accumulated Depreciation	120,012,781	439,905	120,452,686
Total Noncurrent Assets	124,096,531	484,813	124,581,344
TOTAL ASSETS	143,334,772	2,063,573	145,398,345
Deferred Outflows Related to Pensions			
Deferred Outflows Related to Pensions	4,446,998	679,171	5,126,169
Deferred Outflows Related to Other Post Employment Benefits	6,645,979	259,617	6,905,596
Deferred Outflows Related to Advanced Bond Refundings	270,893		270,893
TOTAL DEFERRED OUTFLOWS	11,363,870	938,788	12,302,658
TOTAL ASSETS AND DEFERRED OUTFLOWS	154,698,642	3,002,361	157,701,003
LIABILITIES:			
Current Liabilities:			
Accounts Payable	761,881	75,600	837,481
Accrued Salaries & Sick Leave - Note A	350,979		350,979
Advances from Grantors	443,777		443,777
Bond Obligations - Note D	3,790,000		3,790,000
Lease Liabilities - Note E	167,214		167,214
SBITA Liability	52,247		52,247
Accrued Interest Payable	433,379		433,379
Total Current Liabilities	5,999,477	75,600	6,075,077
Noncurrent Liabilities:			
Bond Obligations - Note D	75,906,907		75,906,907
Lease Liabilities - Note E	323,733		323,733
SBITA Liability - Note F	172,242		172,242
Net Pension Liability	13,737,200	2,085,140	15,822,340
Net Other Post Employment Benefits Liability	7,162,000		7,162,000
Accrued Sick Leave - Note A	290,023		290,023
Total Noncurrent Liabilities	97,592,105	2,085,140	99,677,245
TOTAL LIABILITIES	103,591,582	2,160,740	105,752,322
Deferred Inflows Related to Pensions			
Deferred Inflows Related to Pensions	3,008,745	453,021	3,461,766
Deferred Inflows Related to Other Post Employment Benefits	11,153,470	819,551	11,973,021
TOTAL DEFERRED INFLOWS	14,162,215	1,272,572	15,434,787
TOTAL LIABILITIES AND DEFERRED INFLOWS	117,753,797	3,433,312	121,187,109
NET POSITION:			
Net Investment in Capital Assets	44,411,955	439,905	44,851,860
Restricted for:			
Capital Projects	516,890		516,890
SFCC Escrow	2,054,316		2,054,316
Student Activities	465,714		465,714
Debt Service	5,755		5,755
Food Service		(870,856)	(870,856)
Unrestricted	(10,509,785)		(10,509,785)
TOTAL NET POSITION	36,944,845	(430,951)	36,513,894
TOTAL LIABILITIES AND NET POSITION	154,698,642	3,002,361	157,701,003

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTION/PROGRAMS	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
Instructional	34,189,433	61,570	5,348,894		(28,778,969)		(28,778,969)
Support Services:							
Student Support Services	3,417,040		173,796		(3,243,244)		(3,243,244)
Staff Support Services	1,684,949		454,160		(1,230,789)		(1,230,789)
District Administration	1,314,127		54,293		(1,259,834)		(1,259,834)
School Administration	2,513,418		204,334		(2,309,084)		(2,309,084)
Business Support Services	844,786				(844,786)		(844,786)
Plant Operation & Maintenance	5,070,113		312,815		(4,757,298)		(4,757,298)
Student Transportation	4,471,242	4,993	408		(4,465,841)		(4,465,841)
Food Service Operations	354				(354)		(354)
Community Service Operations	419,788	15,200	428,409		23,821		23,821
Facility Acquisition & Construction	383,969				(383,969)		(383,969)
Interest on Long-Term Debt	2,528,365			82,207	(2,446,158)		(2,446,158)
TOTAL GOVERNMENTAL ACTIVITIES	56,837,584	81,763	6,977,109	82,207	(49,696,505)		(49,696,505)
BUSINESS-TYPE ACTIVITIES:							
Food Service	4,134,996	103,637	3,972,589			(58,770)	(58,770)
TOTAL BUSINESS-TYPE ACTIVITIES	4,134,996	103,637	3,972,589	0	0	(58,770)	(58,770)
TOTAL SCHOOL DISTRICT	60,972,580	185,400	10,949,698	82,207	(49,696,505)	(58,770)	(49,755,275)
GENERAL REVENUES:							
Taxes:							
Property					11,021,115		11,021,115
Motor Vehicle					1,775,640		1,775,640
Utility					2,005,300		2,005,300
Other					47,833		47,833
State Aid - Formula Grants					36,733,666		36,733,666
Investment Earnings					1,156,629	92,586	1,249,215
Fund Transfer (Expense)					90,543	(90,543)	0
Miscellaneous					1,313,666		1,313,666
Loss Compensation					29,986		29,986
Gain(Loss) Sale of Assets					37,785	10,089	47,874
TOTAL GENERAL REVENUES & TRANSFERS					54,212,163	12,132	54,224,295
CHANGE IN NET POSITION					4,515,658	(46,638)	4,469,020
NET POSITION - BEGINNING					32,429,187	(384,313)	32,044,874
NET POSITION - ENDING					36,944,845	(430,951)	36,513,894

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE	BUILDING FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Cash & Cash Equivalents	14,860,130	185,725	953,909	5,755	2,083,011	18,088,530
Accounts Receivable:						
Taxes - Current	651,966					651,966
Taxes - Delinquent	7,437					7,437
Accounts	56,558	4,133				60,691
Intergovernmental - Federal		298,550				298,550
Prepaid Expenses	131,067					131,067
TOTAL ASSETS	<u>15,707,158</u>	<u>488,408</u>	<u>953,909</u>	<u>5,755</u>	<u>2,083,011</u>	<u>19,238,241</u>
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Accounts Payable	717,250	44,631				761,881
Accrued Salaries & Sick Leave	350,979					350,979
Advances from Grantors		443,777				443,777
Total Liabilities	<u>1,068,229</u>	<u>488,408</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,556,637</u>
Fund Balance:						
Unspendable	131,066					131,066
Restricted for:						
Capital Projects					781,453	781,453
SFCC Escrow			953,909		835,844	1,789,753
Debt Service				5,755		5,755
Student Activities					465,714	465,714
Committed For:						
Accrued Sick Leave	290,024					290,024
Assigned For:						
Purchase Obligations	15,931					15,931
Unassigned	14,201,908					14,201,908
Total Fund Balance	<u>14,638,929</u>	<u>0</u>	<u>953,909</u>	<u>5,755</u>	<u>2,083,011</u>	<u>17,681,604</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>15,707,158</u>	<u>488,408</u>	<u>953,909</u>	<u>5,755</u>	<u>2,083,011</u>	<u>19,238,241</u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

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

TOTAL GOVERNMENTAL FUND BALANCE		17,681,604
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	189,310,766	
Accumulated Depreciation	(65,950,367)	123,360,399
Right to Use Asset - Net of Amortization		200,896
Subscription - Based IT Asset - Net of Amortization		239,702
Deferred Outflows Related to Bond Refundings are not current assets and therefore are not reported as assets in governmental funds.		
		270,893
Deferred Outflows Related to Pensions are not current assets and therefore are not reported as assets in governmental funds.		
		4,446,998
Deferred Outflows Related to Other Post Employment Benefits are not current assets and therefore are not reported as assets in governmental funds.		
		6,645,979
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds Payable	(78,670,000)	
Unamortized Bond Premium	(1,459,249)	
Unamortized Bond Discount	432,342	
Lease Obligations	(490,947)	
SBITA Liability	(224,489)	
Accrued Interest on Bonds	(433,379)	
Net Pension Liability	(13,737,200)	
Net Other Post Employment Benefits Liability	(6,866,465)	
Accrued Sick Leave	(290,024)	(101,739,411)
Deferred Inflows Related to Other Post Employment Benefits are not current liabilities and therefore are not reported as liabilities in governmental funds.		
		(11,153,470)
Deferred Inflows Related to Pensions are not current liabilities and therefore are not reported as liabilities in governmental funds.		
		(3,008,745)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		36,944,845

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL REVENUE	BUILDING FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Taxes:						
Property	7,721,841		3,299,274			11,021,115
Motor Vehicle	1,775,640					1,775,640
Utility	2,005,300					2,005,300
Other	47,833					47,833
Earnings on Investments	1,064,458			9,932	82,239	1,156,629
Intergovernmental - State	32,593,403	2,352,207	3,480,027	297,607	444,836	39,168,080
Intergovernmental - Federal	215,561	4,409,341				4,624,902
Other Sources	177,707	314,868			902,854	1,395,429
TOTAL REVENUES	45,601,743	7,076,416	6,779,301	307,539	1,429,929	61,194,928
EXPENDITURES:						
Instructional	25,486,232	5,241,251			842,253	31,569,736
Support Services:						
Student Support Services	3,374,291	170,298				3,544,589
Staff Support Services	1,294,330	445,020				1,739,350
District Administration	1,263,215	53,200				1,316,415
School Administration	2,413,829	200,222				2,614,051
Business Support Services	872,120					872,120
Plant Operation & Maintenance	4,821,297	306,520				5,127,817
Student Transportation	4,621,714	400				4,622,114
Food Service Operations	354					354
Community Service Operations		419,788				419,788
Facilities Acquisition & Construction	1,700				1,622,119	1,623,819
Debt Service:						
Principal	170,169			3,665,000		3,835,169
Interest	10,104			2,745,181		2,755,285
TOTAL EXPENDITURES	44,329,355	6,836,699	0	6,410,181	2,464,372	60,040,607
EXCESS(DEFICIT) REVENUES OVER EXPENDITURES	1,272,388	239,717	6,779,301	(6,102,642)	(1,034,443)	1,154,321
OTHER FINANCING SOURCES(USES):						
Loss Compensation	29,986					29,986
Proceeds from Sale of Assets	43,274					43,274
Operating Transfers In - Note O	1,429,942	103,658		6,104,396		7,637,996
Operating Transfers Out - Note O	(90,291)	(343,375)	(6,894,685)		(219,102)	(7,547,453)
TOTAL OTHER FINANCING SOURCES	1,412,911	(239,717)	(6,894,685)	6,104,396	(219,102)	163,803
NET CHANGE IN FUND BALANCES	2,685,299	0	(115,384)	1,754	(1,253,545)	1,318,124
FUND BALANCES - BEGINNING	11,953,630	0	1,069,293	4,001	3,336,556	16,363,480
FUND BALANCES - ENDING	14,638,929	0	953,909	5,755	2,083,011	17,681,604

See independent auditor's report and accompanying notes to financial statements.

MEADE 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, 2024

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

NET CHANGES - GOVERNMENTAL FUNDS		1,318,124
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital exceeds depreciation expense for the year.</p>		
Depreciation Expense	(4,975,017)	
Capital Outlays	2,098,096	
		(2,876,921)
<p>Bond proceeds and capital leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Principal Paid	3,665,000	
Lease Obligations Paid	233,237	
		3,898,237
<p>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.</p>		
Amortization -Deferred Outflows from Advanced Bond Refundings	(81,952)	
Amortization - Bond Premiums	324,997	
Amortization - Bond Discounts	(25,763)	
District Pension Contributions	1,772,218	
Cost of Benefits Earned Net of Employee Contributions	(1,119,941)	
Accrued Interest Payable	25,670	
Amorization Right of Use Assets	(10,859)	
Amorization Right of Use Subscription Based Technology	(39,562)	
District Other Post Employment Benefits Contributions	646,372	
Cost of Benefits Earned Net of Employee Contributions - OPEB	722,188	
Accrued Sick Leave	(31,661)	
		2,181,707
<p>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 change in fund balances by the cost of the asset sold.</p>		
Cost of Disposed of Assets		(5,489)
CHANGES - NET POSITION GOVERNMENTAL FUNDS		4,515,658

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	ENTERPRISE FUND
	FOOD SERVICE
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	1,305,014
Intergovernmental Receivables - Federal	202,852
Inventories for Consumption	70,894
Total Current Assets	1,578,760
Noncurrent Assets:	
Net OPEB Benefit	44,908
Furniture & Equipment	2,206,934
Less: Accumulated Depreciation	(1,767,029)
Total Noncurrent Assets	484,813
TOTAL ASSETS	2,063,573
Deferred Outflows Related to Pensions	679,171
Deferred Outflows Related to Other Post Employment Benefits	259,617
TOTAL ASSETS AND DEFERRED OUTFLOWS	3,002,361
LIABILITIES:	
Current Liabilities:	
Account Payable	75,600
Total Current Liabilities	75,600
Noncurrent Liabilities:	
Net Pension Liability	2,085,140
Total Noncurrent Liabilities	2,085,140
TOTAL LIABILITIES	2,160,740
Deferred Inflows Related to Pensions	453,021
Deferred Inflows Related to Other Post Employment Benefits	819,551
TOTAL LIABILITIES AND DEFERRED INFLOWS	3,433,312
Net Position:	
Net Investment in Capital Assets	439,905
Restricted	(870,856)
Total Net Position	(430,951)
TOTAL LIABILITIES AND NET POSITION	3,002,361

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUND
	FOOD SERVICE
OPERATING REVENUES:	
Lunchroom Sales	54,772
Other Operating Revenues	48,865
TOTAL OPERATING REVENUES	103,637
OPERATING EXPENSES:	
Salaries & Benefits	1,555,160
Contract Services	47,561
Materials & Supplies	2,462,234
Depreciation - Note G	61,647
Other Operating Expenses	8,394
TOTAL OPERATING EXPENSES	4,134,996
OPERATING INCOME(LOSS)	(4,031,359)
NONOPERATING REVENUES(EXPENSES):	
Federal Grants	3,555,185
State Grants	275,241
Donated Commodities	142,163
Interest Income	92,586
Gain (Loss) - Sale of Assets	10,089
Net Transfer Out to General Fund	(90,543)
TOTAL NONOPERATING REVENUE	3,984,721
INCOME(LOSS) BEFORE CAPITAL CONTRIBUTIONS	(46,638)
CAPITAL CONTRIBUTIONS	-
CHANGE IN NET POSITION	(46,638)
NET POSITION - BEGINNING	(384,313)
TOTAL NET POSITION - ENDING	(430,951)

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	FOOD SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from:	
Lunchroom Sales	54,772
Other Operating Revenue	48,865
Cash Paid to/for:	
Employees	(1,513,993)
Supplies	(2,268,083)
Other Activities	(55,955)
Net Cash Used by Operating Activities	(3,734,394)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfer Out to General Fund	(90,543)
Federal Grants	3,366,802
State Grants	31,689
Net Cash Provided by Non-Capital and Related Financing Activities	3,307,948
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Fixed Assets	10,089
Purchase of Fixed Assets	(267,516)
Receipt of Interest Income	92,586
Net Cash Provided by Investing Activities	(164,841)
Net Increase (Decrease) in Cash and Cash Equivalents	(591,287)
Balances, Beginning of Year	1,896,301
Balances, End of Year	1,305,014
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(4,031,359)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities	
Depreciation	61,647
State On-Behalf Payments	243,552
Donated Commodities	142,163
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Deferred Outflows	(94,168)
Deferred Inflows	618,104
Net Pension Liability	(87,429)
Net Other Post Employment Benefits	(638,892)
Inventory	(3,750)
Accounts Payable	55,738
Net Cash Used by Operating Activities	(3,734,394)
Schedule of Non-Cash Transactions:	
Donated Commodities	142,163
State On-Behalf Payments	243,552

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Meade 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 Meade 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 Meade 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 organizations are included in the accompanying financial statements:

Meade County Board of Education Finance Corporation – In a prior year, the Board of Education resolved to authorize the establishment of the Meade 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The District has the following funds:

I. Governmental Fund Types

- A. 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.
- B. The Special Revenue (Grant) Funds account for proceeds of specific revenue sources (other than expendable trust 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 related notes. This is a major fund of the District.
- C. 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).
 1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. 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.
 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund of the District.
- D. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on generally obligation notes payable, as required by Kentucky law. This is a major fund of the District.

II. Proprietary Fund Types (Enterprise Fund)

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.

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

III. Fiduciary Fund Type (Private Purpose Trust Funds)

The Private Purpose Trust funds are used to report trust arrangements under which principal and income benefit individuals, private organization, or other governments.

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 Nonexchange 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 60 days of the fiscal year-end.

Proprietary Fund operating revenues are defined as revenues received from the direct purchases of products and services (i.e. food service). Non-operating revenues are not related to direct purchases of products; for the District, these revenues are typically investment income and state and federal grant revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Deferred Revenue – Deferred 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 as deferred revenue.

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

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2024, to finance the General Fund operations were \$0.598 per \$100 valuation for real property, \$0.598 per \$100 valuation for business personal property, and \$0.546 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 gases.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

Interfund Balances

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

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will have received 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.

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

For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the amount “accumulated sick leave payable” in the general fund. The noncurrent portion of the liability is reported as a reserve of fund balance.

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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

Cash and Cash Equivalents

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

Inventories

On government-wide financial statements, inventories are stated at cost and are expensed when used.

On fund financial statements inventories are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

The food service fund uses the specific identification method.

Investments

The private purpose trust funds record investments at their quoted market prices. All realized gains and losses and changes in fair value are recorded in the Statement of Changes in Fiduciary Net Position.

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 noncurrent 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Formal School Board action must be taken during an open meeting to establish, modify, or rescind a fund balance commitment.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Superintendent.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District committed the following fund balance type by taking the following action:

<u>Fund Balance Type</u>	<u>Amount</u>	<u>Action</u>
General Fund	290,024	Long-Term Sick Leave Commitment

The District uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the District would first use *committed*, then *assigned*, and lastly *unassigned* amounts for unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Special Revenue	State, Local and Federal Grants

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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 outside contributions of resources restricted to capital acquisition and construction.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Interfund Activity

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

Pensions

Teachers' Retirement System - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

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

Since certain expense items are amortized over the closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense the amounts are labeled deferred inflows. If amounts will increase pension expense the amounts are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

Postemployment Benefits Other Than Pensions

Teachers' Retirement System – 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.

County Employees Retirement System - 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 County Employees Retirement System of the State of Kentucky (CERS) and

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Since certain expense items are amortized over the closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense the amounts are labeled deferred inflows. If amounts will increase pension expense the amounts are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

NOTE B – 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 C – CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Deposits. Custodial Credit 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 year-end, the carrying amount of the District's total cash and cash equivalents was \$19,393,543. Of the total cash balance, \$250,000 was covered by Federal Depository Insurance, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. Cash equivalents are funds temporarily invested in securities with maturity of 90 days or less.

Cash and cash equivalents at June 30, 2024, consisted of the following:

	Bank Balance	Book Balance
Wesbanco Bank, Inc.	22,524,192	19,387,788
U.S. Bank	<u>5,755</u>	<u>5,755</u>
	<u>22,529,947</u>	<u>19,393,543</u>
Breakdown per financial statements:		
Governmental Funds		18,088,529
Proprietary Funds		<u>1,305,014</u>
Cash per Statement of Net Position		<u>19,393,543</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE D – LONG TERM OBLIGATIONS

The amount shown in the accompanying financial statements as bond obligations represents the District's future obligations to make payments relating to the bonds issued by the Meade County School District Finance Corporation in the original amount aggregating \$103,320,000.

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

2013	9,015,000	1.00% - 3.65%
2015 Refunding	7,080,000	1.00% - 2.625%
2016	15,665,000	2.00% - 3.00%
2016 Refunding	11,825,000	5.00% - 5.00%
2017 Refunding	3,590,000	1.50% - 2.20%
2018	22,510,000	3.00% - 4.00%
2019	9,165,000	2.00% - 2.75%
2020	3,350,000	2.00% - 2.625%
2022	14,135,000	3.50% - 3.625%
2022 Refunding	6,985,000	4.00% - 5.00%

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

In 1995 the Board entered into "participation agreements" with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky Legislature for the purpose of assisting local schools districts in meeting school construction needs. The table sets forth the amount to be paid by the Board and the Commission for each year until maturity of all bonds issued. The Kentucky School Construction Commission's participation is limited to the biennial budget period of the Commonwealth of Kentucky with the right reserved by the Kentucky School Construction Commission to terminate the commitment to pay the agreed participation every two years. The obligation of the Kentucky School Construction Commission to make the agreed payments automatically renews each two years for a period of two years unless the Kentucky School Construction Commission gives notice of its intention not to participate not less than sixty days prior to the end of its biennium.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the maturity, the minimum obligations of the District, including amounts to be paid by the Commission at June 30, 2024, for debt service (principal and interest) are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Participation</u>	<u>District's Portion</u>
2024-25	3,790,000	2,615,269	297,608	6,107,661
2025-26	3,965,000	2,487,466	297,607	6,154,859
2026-27	4,095,000	2,347,290	283,982	6,158,308
2027-28	4,115,000	2,232,270	243,834	6,103,436
2028-29	4,260,000	2,087,406	243,832	6,103,574
2029-30	4,400,000	1,937,042	229,607	6,107,435
2030-31	4,525,000	1,785,369	201,089	6,109,280
2031-32	4,685,000	1,623,775	202,912	6,105,863
2032-33	4,660,000	1,452,531	177,682	5,934,849
2033-34	4,800,000	1,310,513	177,681	5,932,832
2034-35	4,950,000	1,160,388	177,682	5,932,706
2035-36	5,110,000	1,001,469	177,682	5,933,787
2036-37	5,240,000	827,569	137,382	5,930,187
2037-38	5,260,000	670,431	2,819	5,927,612
2038-39	4,330,000	477,350	2,819	4,804,531
2039-40	4,455,000	341,181	2,264	4,793,917
2040-41	2,970,000	218,588	0	3,188,588
2041-42	3,060,000	110,925	0	3,170,925
	<u>78,670,000</u>	<u>24,686,834</u>	<u>2,856,483</u>	<u>100,500,351</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities:					
Revenue Bond Payable	82,335,000	0	3,665,000	78,670,000	3,790,000
Add: Bond Premium	1,784,247	0	324,998	1,459,249	324,997
Less: Bond Discount	(458,104)	0	(25,762)	(432,342)	(25,763)
Net Revenue Bond Payable	83,661,143	0	3,964,236	79,696,907	4,089,234
Lease Liabilities	669,409	279,264	233,237	715,436	219,461
Net Pension Liability	14,312,112	0	547,912	13,764,200	0
Net OPEB Liability	14,472,667	0	7,310,667	7,162,000	0
Accrued Sick Leave	576,451	197,535	132,984	641,002	350,978
Total Governmental Activities	113,691,782	476,799	12,189,036	101,979,545	4,659,673
Proprietary Activities:					
Net Pension Liability	2,172,569	0	87,429	2,085,140	0
Net OPEB Liability	593,984	0	593,984	0	0
Total Proprietary Activities	2,766,553	0	0	2,085,140	0
Total Long-Term Liabilities	<u>116,458,335</u>	<u>476,799</u>	<u>12,870,449</u>	<u>104,064,685</u>	<u>4,659,673</u>

NOTE E – LEASE LIABILITIES

The District is the lessee of buses under leases expiring in various years through 2026. The assets and liabilities under these leases are recorded at the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated productive lives. Amortization of assets under these leases is included in depreciation expense for fiscal year 2024.

The following is a summary of property held under capital leases:

<u>Classes of Property</u>	<u>Book Value as of June 30, 2024</u>
Buses	1,737,210
Accumulated Amortization	<u>(1,504,985)</u>
	<u>232,225</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a schedule by years of the future principal payments under these leases as of June 30, 2024:

<u>Year Ending June 30,</u>	<u>Leases Payable</u>
2025	164,726
2026	<u>82,647</u>
Net minimum lease payments	247,373
Amount representing interest	<u>(8,292)</u>
Present value of net minimum lease payments	<u>239,081</u>

Interest rates on these leases vary from 1.00% to 2.625%. The leases provide for the buses to revert to the District at the end of the respective lease with no further payment for purchase.

The District is committed under a noncancellable lease for baseball and softball facilities with the Meade County Fiscal Court with an annual payment amount of \$20,000. The total lease liability measured at present value is \$325,778. The ending balance at June 30, 2024 is \$251,866. The District has recognized an intangible right of use asset for the terms of the lease but the District will not acquire the facilities at the end of the lease. Annual requirements to amortize long-term obligations and related interest are as follows:

Year	Principal	Interest
2025	8,666	11,334
2026	9,056	10,944
2027	9,464	10,536
2028	9,889	10,111
2029	10,334	9,666
2030-2034	59,081	40,919
2035-2039	73,625	26,375
2040-2043	<u>71,751</u>	<u>8,249</u>
Total	<u>251,866</u>	<u>128,134</u>

The following assets and amortization have been recognized.

Intangible Right of Use Assets – Sports Facilities	\$325,778
Accumulated Amortization	<u>(124,882)</u>
Net Ending Balance	<u>200,896</u>

NOTE F – SBITA LIABILITY

The District recorded \$279,264 as an intangible right-to-use software in the Governmental Activities non-current assets on the statement of net position. Due to the implementation of GASB Statement No. 96, the arrangement for software (Safety Platform) met the criteria of a SBITA; thus, requiring it to be recorded by the District as an intangible asset and a SBITA liability. The asset will be amortized over five years the term of the software agreement.

A summary of the principal and interest amounts for the arrangement is:

Year	Principal	Interest
2025	52,246	10,753
2026	54,750	8,250
2027	57,372	5,628
2028	<u>60,121</u>	<u>2,880</u>
Total	<u>234,489</u>	<u>27,511</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE G - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Non-Depreciable Assets:				
Land	3,347,618			3,347,618
Construction	12,585,580	(12,585,580)		-
Depreciable Assets:				
Buildings & Building Improvements	160,037,333	13,864,032		173,901,365
Technology Equipment	1,433,297	5,405	(3,141)	1,435,561
Vehicles	8,624,831	629,812	(640,573)	8,614,070
General Equipment	1,870,471	184,427	(42,746)	2,012,152
TOTAL AT HISTORICAL COST	187,899,130	2,098,096	(686,460)	189,310,766
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings & Building Improvements	53,631,184	4,213,957		57,845,141
Technology Equipment	1,329,930	65,048	(3,141)	1,391,837
Vehicles	5,400,708	580,095	(640,573)	5,340,230
General Equipment	1,294,499	115,917	(37,257)	1,373,159
TOTAL ACCUMULATED DEPRECIATION	61,656,321	4,975,017	(680,971)	65,950,367
GOVERNMENTAL ACTIVITIES CAPITAL NET	126,242,809	(2,876,921)	(5,489)	123,360,399
PROPRIETARY ACTIVITIES:				
Depreciable Assets:				
Technology Equipment	9,200			9,200
General Equipment	2,043,721	267,516	(113,503)	2,197,734
TOTALS AT HISTORICAL COST	2,052,921	267,516	(113,503)	2,206,934
LESS ACCUMULATED DEPRECIATION FOR:				
Technology Equipment	7,287	126		7,413
General Equipment	1,811,598	61,521	(113,503)	1,759,616
TOTAL ACCUMULATED DEPRECIATION	1,818,885	61,647	(113,503)	1,767,029
PROPRIETARY ACTIVITIES CAPITAL NET	234,036	205,869	-	439,905
DEPRECIATION EXPENSE CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:				
Instructional				4,313,454
District Administration				14,245
School Administration				507
Plant Operation & Maintenance				47,175
Student Transportation				599,636
TOTAL				4,975,017

NOTE H – RETIREMENT PLANS

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

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 System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

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

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years’ service and hire date multiplied by the average of the highest five years’ earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. 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 nonservice-related disability benefits.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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 (TRS)—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at http://www.TRS.ky.gov/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 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. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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). University members contribute 10.40% of salary to the retirement system. Non-university members contribute 12.855% of salary to the retirement system. Member contributions are picked up by the employer.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

Medical Insurance Plan

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

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

Funding policy—In order to fund the post-retirement healthcare benefit, six percent (6%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three percent (3%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and two and one quarter percent (2.25%) from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

At June 30, 2024, the District reported a liability of \$15,822,340 for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

District's proportionate share of the CERS net pension liability	\$ 15,822,340
Commonwealth's proportional share of the TRS net pension liability associated with the District	<u>94,896,949</u>
	<u>\$ 110,719,289</u>

The net pension liability for each plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.246588 percent.

For the year ended June 30, 2024, the District recognized pension expense of \$1,020,747 related to CERS and \$5,708,165 related to TRS. The District also recognized revenue of \$5,708,165 for TRS support provided by the Commonwealth. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 819,092	\$ 42,994
Changes of assumptions	-	1,450,128
Net difference between projected and actual earnings on pension plan investments	1,709,261	1,925,086
Changes in proportion and differences between District contributions and proportionate share of contributions	825,598	43,558
District contributions subsequent to the measurement date	<u>1,772,218</u>	<u>-</u>
Total	<u>\$ 5,126,169</u>	<u>\$ 3,461,766</u>

\$1,772,218 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2025	(94,278)
2026	(213,580)
2027	353,219
2028	(153,176)
2029	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial assumptions—The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers' Retirement System (TRS)

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Long-term Investment Rate of Return, net of pension plan investment expense, including inflation	7.10%
Municipal Bond Index Rate	
Prior Measurement Date	3.66%
Measurement Date	2.13%
Salary increases, including inflation	3.00-7.50%, includes inflation
Post-retirement benefit increases	1.50% annually
Inflation rate	2.50%
Single Equivalent Interest Rate, net of pension plan investment expense, including inflation	
Prior Measurement Date	7.50%
Measurement Date	7.10%

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

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

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

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	Long-Term Expected Real Rates of Return
Large Cap U.S. Equity	35.40%	5.0%
Small Cap U.S. Equity	2.60%	5.5%
Developed International Equity	15.70%	5.5%
Emerging Markets Equity	5.30%	6.1%
Fixed Income	15.00%	1.9%
High Yield Bonds	2.00%	3.8%
Other Additional Categories	5.00%	3.6%
Real Estate	7.00%	3.2%
Private Equity	7.00%	8.0%
Cash	2.0%	1.6%
Total	100.0%	

Discount rate - For TRS, The discount rate used to measure the TPL as of the Measurement Date was 7.10 percent. 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 at the current contribution rates and that Employer contributions will be made at the 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.

County Employees' Retirement System (CERS)

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	July 1, 2013-June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 years, closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Payroll Growth Rate	2.0%
Investment rate of return	6.25%
Projected salary increases	3.30 to 10.30%, varies by service
Inflation rate	2.30%

The mortality table used for active members was Pub-2010 General Mortality table, for the Nonhazardous

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 fiscal years 2013 through 2018, is outlined in a report titled “Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018”. The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long-term inflation assumption is 2.3% per annum.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Real Return	100.0%	5.75%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

Discount rate—For CERS, projection of cash flows used to determine the discount rate of 6.50% 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.

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

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	19,976,660	15,822,340	12,369,944
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	0	0	0

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

NOTE I – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Teachers' Retirement System of Kentucky

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2024, the Meade County District reported a liability of \$7,162,000 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, 2023, 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, 2023, the District's proportion was .5349 percent, compared to .5576 percent at June 30, 2022.

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

District's proportionate share of the net OPEB liability	\$ 7,162,000
State's proportionate share of the net OPEB liability associated with the District	<u>6,037,000</u>
Total	<u>\$13,199,000</u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$418,397 and revenue of \$469,622 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,427,000
Changes of assumptions	1,628,000	-
Net difference between projected and actual earnings on pension plan investments	134,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,538,000	3,335,000
District contributions subsequent to the measurement date	<u>646,372</u>	-
Total	<u>4,946,372</u>	<u>5,762,000</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$646,372 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended June 30:	
2025	\$ (417,000)
2026	(379,000)
2027	18,000
2028	(47,000)
2029	(311,000)
Thereafter	(326,000)

Actuarial assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Long-term investment rate of return net of OPEB plan investment expense, including inflation.	
Health Trust	7.10%
Life Trust	7.10%
Salary increases, including wage	
Inflation	3.00 – 7.50%
Inflation	2.50%
Real wage growth	0.25%
Wage Inflation	2.75%
Health Trust Health Care Cost Trends	
Under 65	6.75% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2032
Ages 65 and Older	6.75% for FY 2022* decreasing to an ultimate rate of 4.50% by FY 2025
Medicare Part B Premiums	1.55% for FY 2022 with an ultimate rate of 4.50% by 2034
Municipal Bond Index Rate	3.66%
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Health Trust	7.10%
Life Trust	7.10%
Year FNP is projected to be depleted	
Health Trust	N/A
Life Trust	N/A

**Based on known expected increase in Medicare-eligible costs in the year following the valuation date, an increase rate of 20.00% was used for FYE 2021.*

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
U.S Large Cap Equity	35.4%	5.0%
U.S. Small Cap	2.6%	5.5%
Developed Int'l Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	9.0%	1.9%
High Yield Bonds	8.0%	3.8%
Other Additional Categories	9.0%	3.7%
Real Estate	6.5%	3.2%
Private Equity	8.5%	8.0%
Cash (LIBOR)	1.00%	1.6%
	100.00%	

Discount rate (SEIR)- The discount rate used to measure the TOL at June 30, 2023 was 7.10% for the Health Trust and 7.10% for the Life Trust. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2021.

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

	1% Decrease	Current Discount Rate	1% Increase
TRS	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	9,212,000	7,162,000	5,468,000

NOTES TO FINANCIAL STATEMENTS (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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of net OPEB liability	5,156,000	7,162,000	9,660,000

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.

At June 30, 2024, 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 share of the net OPEB liability	-0-
State's proportionate share of the net OPEB liability associated with the District	<u>149,000</u>
Total	<u>\$ 149,000</u>

Actuarial assumptions – The actuarial assumptions are listed above with the TRS OPEB assumptions information.

The long-term expected rate of return on Health Trust and Life Trust 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.

NOTES TO FINANCIAL STATEMENTS (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	Long Term Expected Real Rate of Return
U.S. Equity	40.00%	5.2%
International Equity	15.00%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	21.00%	1.9%
Real Estate	7.00%	3.2%
Private Equity	5.00%	8.0%
Additional Categories	5.00%	4.0%
Cash (LIBOR)	2.00%	1.6%
	100.00%	

Discount rate (SEIR) - The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022.

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

County Employees’ Retirement System of Kentucky

Plan description – Classified (non-certified) employees of the Kentucky School District are provided OPEBs through the County Employees Retirement System of the State of Kentucky (CERS)—a cost-sharing multiple-employer defined benefit OPEB plan retirement annuity plan coverage for local school districts and other public agencies in the state. CERS was established July 1, 1958 by the state legislature. CERS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth’s financial statements. CERS issues a publicly available financial report that can be obtained at <https://kyret.ky.gov/About/Board-of-Trustees/Pages/CAFR-and-SAFR.aspx>.

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 CERS Medical Insurance. The following information is about the CERS plans:

Medical Insurance Plan

Plan description –The Kentucky Retirement Systems’ Insurance Fund (Insurance Fund) was established to provide hospital and medical insurance for eligible members receiving benefits from KERS, CERS, and SPRS, the state retirement options. 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. It is noted that while this insurance fund covers employees eligible through KERS, CERS, and SPRS, only the portion related to CERS is applicable to Meade County School District since the District does not have or qualify to have employees participate in KERS or SPRS.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Benefits provided – Medical Insurance coverage is provided based on the member’s initial participation date and length of service. Members received either a percentage or dollar amount for insurance coverage. The amount of contribution paid by the Insurance Fund is based on years of service. For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

<u>Years of Service</u>	<u>Paid By Insurance Fund (%)</u>
20+	100%
15-19	75%
10-14	50%
4-9	25%
Less than 4	0%

Medical insurance benefits are calculated differently for members who began participating on or after July 1, 2003. Once members reach a vesting period of 10 years, non-hazardous employees whose participation began on or after July 1, 2003 earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands. Only benefit descriptions applicable to CERS Non-Hazardous have been included with this information since only that portion is applicable to the District.

Contributions – Due to the CERS post-retirement healthcare benefit plan being fully funded the requirement for employers to contribute as a percent of gross annual payroll was suspended for the year ended June 30, 2024.

At June 30, 2024, the Meade County District reported a net benefit of \$340,442 for its proportionate share of the collective net OPEB benefit that reflected a reduction for state OPEB support provided to the District. The collective net OPEB benefit was measured as of June 30, 2023, 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, 2023, the District’s proportion was .246578 percent, compared to .228002 percent at June 30, 2022.

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

District’s proportionate share of the net OPEB benefit	\$ 340,442
State’s proportionate share of the net OPEB liability associated with the District	<u>-0-</u>
Total	<u>\$ 340,442</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2024, the District recognized OPEB benefit of \$774,146. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 237,340	\$ 4,833,938
Changes of assumptions	669,966	466,899
Net difference between projected and actual earnings on pension plan investments	637,124	716,134
Changes in proportion and differences between District contributions and proportionate share of contributions	303,597	194,050
District contributions subsequent to the measurement date	<u>111,197</u>	<u>-</u>
Total	<u><u>1,959,224</u></u>	<u><u>6,211,021</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$111,197 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will of \$0 and implicit subsidy of \$111,197 totaling \$111,197 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:	
2025	\$ (1,139,282)
2026	(1,363,034)
2027	(994,172)
2027	(866,506)
2028	-
Thereafter	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2021
Investment rate of return	6.25%
Salary Increases	3.30% to 10.30%, varies by service
Inflation	2.30%
Payroll Growth Rate	2.00%
Healthcare cost trend rates	
Pre - 65	Initial trend starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Post - 65	Initial trend starting at 6.3% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Mortality	
Pre-retirement	PUB-2010 General Mortality table
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010

The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long-term inflation assumption is 2.30% per annum.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Liquidity		
Core Bonds	10.00%	2.45%
Special Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Real Return	100.0%	5.75%
Long Term Inflation Assumption		2.50%
Expected Nominal Return		8.25%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Discount rate - The discount rate used to measure the total OPEB liability was 5.93%. The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028, for the CERS plans.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.93%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	4.93%	5.93%	6.93%
District's proportionate share of net OPEB liability/(benefit)	638,879	(340,442)	(1,160,504)

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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Systems' net OPEB Liability/(Benefit)	(1,091,176)	(340,422)	581,764

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

NOTE J – 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 unreimbursed disbursements, if any, is not expected, to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE K – INSURANCE AND RELATED ACTIVITIES

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

NOTE L – 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 obtains quotes from commercial insurance companies. Currently, the District maintains insurance coverage through Liberty Mutual Insurance Company.

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 M – DEFICIT OPERATING BALANCES

The Food Service Fund had a deficit fund balance in the amount of \$430,951 at June 30, 2024. Additionally, the following funds have operations that resulted in a current year deficit of expenditures over revenues resulting in a corresponding reduction of fund balance:

Construction Fund	1,565,382
Debt Service Fund	6,102,642

NOTE N – 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).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE O – TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Matching	General	Special Revenue	Technology Match	90,291
Operating	Food Service	General Fund	Indirect Costs	90,891
Operating	Special Revenue	General Fund	Indirect Costs	343,375
Operating	Building Fund	Debt Service	Debt Service	6,104,396
Operating	Building Fund	General Fund	Operations	790,290
Operating	Capital Outlay	General Fund	Operations	180,273
Operating	Student Activity	General Fund	Operations	25,113
Operating	Student Activity	Special Revenue	Operations	<u>13,367</u>
Total Governmental Funds Transferred In				<u>7,637,996</u>
Operating	Food Service	General Fund	Indirect Costs	<u>(90,543)</u>
Proprietary Funds Transferred				<u>(90,543)</u>
Total Transferred Funds				<u><u>7,547,453</u></u>

NOTE P – SUBSEQUENT EVENTS

Management has reviewed subsequent events through November 15, 2024, the date the financials were available for release. There are no material subsequent events to disclose.

NOTE Q – ON-BEHALF PAYMENT

For the year ended June 30, 2024, \$11,819,269 in on-behalf payments were made by the Commonwealth of Kentucky for the benefit of the District. Payments for life insurance, health insurance, Kentucky teacher retirement matching pension contributions, administrative fees, technology and debt service were paid by the State for the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts. These payments were as follows:

Teachers Retirement System (GASB 68 Schedule A)	\$5,708,165
Teachers Retirement System (GASB 75)	484,480
Health Insurance	5,171,640
Life Insurance	7,595
Administrative Fee	60,703
HRA/Dental/Vision	336,088
Federal Reimbursement	(373,096)
Technology	126,087
SFCC Debt Service Payments	<u>297,607</u>
Total	<u><u>\$11,819,269</u></u>

REQUIRED SUPPLEMENTARY
INFORMATION

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	10,970,000	10,970,000	11,550,614	580,614
Other Local Sources	313,000	313,000	1,242,165	929,165
State Sources	21,046,357	21,046,357	32,593,403	11,547,046
Federal Sources	105,000	105,000	215,561	110,561
Other Sources	82,608	82,608	1,503,202	1,420,594
TOTAL REVENUES	32,516,965	32,516,965	47,104,945	14,587,980
EXPENDITURES:				
Instructional	19,166,206	19,166,206	25,486,232	(6,320,026)
Student Support Services	2,993,279	2,993,279	3,374,291	(381,012)
Staff Support Services	1,213,098	1,213,098	1,294,330	(81,232)
District Administration	1,481,859	1,481,859	1,263,215	218,644
School Administration	2,130,253	2,130,253	2,413,829	(283,576)
Business Support Services	764,704	764,704	872,120	(107,416)
Plant Operation & Maintenance	5,406,554	5,406,554	4,821,297	585,257
Student Transportation	4,518,922	4,518,922	4,621,714	(102,792)
Food Service Operations	2,020	2,020	354	1,666
Facilities Acquisition & Construction	200,000	200,000	1,700	198,300
Principal	177,000	177,000	170,169	6,831
Interest	17,850	17,850	10,104	7,746
Other	94,783	94,783	90,291	4,492
TOTAL EXPENDITURES	38,166,528	38,166,528	44,419,646	(6,253,118)
NET CHANGE IN FUND BALANCE	(5,649,563)	(5,649,563)	2,685,299	8,334,862
FUND BALANCES - BEGINNING	5,649,563	5,649,563	11,953,630	6,304,067
FUND BALANCES - ENDING	0	0	14,638,929	14,638,929

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Other Local Sources	321,562	321,562	314,868	(6,694)
State Sources	2,058,246	2,058,246	2,352,207	293,961
Federal Sources	2,673,906	2,673,906	4,409,341	1,735,435
Other Sources	89,943	89,943	103,658	13,715
TOTAL REVENUES	<u>5,143,657</u>	<u>5,143,657</u>	<u>7,180,074</u>	<u>2,036,417</u>
EXPENDITURES:				
Instructional	4,013,823	4,013,823	5,241,251	(1,227,428)
Student Support Services	53,834	53,834	170,298	(116,464)
Staff Support Services	347,649	347,649	445,020	(97,371)
District Administration	0	0	53,200	(53,200)
School Administration	90,368	90,368	200,222	(109,854)
Plant Operation & Maintenance	217,010	217,010	306,520	(89,510)
Student Transportation	0	0	400	(400)
Community Service Operations	420,973	420,973	419,788	1,185
Other	0	0	343,375	(343,375)
TOTAL EXPENDITURES	<u>5,143,657</u>	<u>5,143,657</u>	<u>7,180,074</u>	<u>(2,036,417)</u>
NET CHANGE IN FUND BALANCE	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

See accompanying auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	\$ -	-	-	-	-
State of Kentucky's share of the net pension liability associated with the district	<u>125,417,000</u>	<u>137,569,137</u>	<u>172,202,160</u>	<u>156,872,548</u>	<u>75,686,270</u>
TOTAL	<u>\$ 125,417,000</u>	<u>\$ 137,569,137</u>	<u>\$ 172,202,160</u>	<u>156,872,548</u>	<u>75,686,270</u>
District's covered-employee payroll	\$ 18,481,831	18,733,274	18,811,936	\$ 18,962,389	\$ 19,766,358
District's proportionate share of the net pension liability as a percentage of its covered-payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	45.59%	44.70%	57.04%	39.80%	59.30%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	-	-	-	-	-
State of Kentucky's share of the net pension liability associated with the district	<u>81,490,357</u>	<u>83,981,117</u>	<u>76,453,924</u>	<u>99,336,345</u>	<u>94,896,949</u>
TOTAL	<u>81,490,357</u>	<u>83,981,117</u>	<u>76,453,924</u>	<u>99,336,345</u>	<u>94,896,949</u>
District's covered-employee payroll	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
District's proportionate share of the net pension liability as a percentage of its covered-payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	58.27%	65.59%	56.41%	57.70%

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of net pension liability	0.273782%	0.237376%	0.266210%	0.262176%	0.250451%
District's proportionate share of the net pension liability	\$ 11,186,481	11,754,189	13,107,188	15,345,967	15,253,229
State of Kentucky's share of the net pension liability associated with the district	\$ -	-	-	-	-
TOTAL	<u><u>11,186,481</u></u>	<u><u>11,754,189</u></u>	<u><u>13,107,188</u></u>	<u><u>15,345,967</u></u>	<u><u>15,253,229</u></u>
District's covered-employee payroll	\$ 6,405,454	6,360,511	6,400,924	6,196,956	6,462,161
District's proportionate share of the net pension liability as a percentage of its covered-payroll	174.64%	184.80%	204.77%	247.64%	236.04%
Plan fiduciary net position as a percentage of the total pension liability	66.801%	63.46%	55.50%	53.30%	53.54%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of net pension liability	0.254328%	0.244313%	0.229743%	0.228035%	0.246588%
District's proportionate share of the net pension liability	17,887,002	18,738,605	14,647,918	16,484,681	15,822,340
State of Kentucky's share of the net pension liability associated with the district	-	-	-	-	-
TOTAL	<u><u>17,887,002</u></u>	<u><u>18,738,605</u></u>	<u><u>14,647,918</u></u>	<u><u>16,484,681</u></u>	<u><u>15,822,340</u></u>
District's covered-employee payroll	6,285,382	5,940,721	6,214,419	7,227,782	7,593,054
District's proportionate share of the net pension liability as a percentage of its covered-payroll	284.58%	315.43%	235.71%	228.07%	208.38%
Plan fiduciary net position as a percentage of the total pension liability	50.45%	47.81%	57.33%	52.42%	57.48%

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE
TEACHERS RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contributions (actuarially determined)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 18,481,831	\$ 18,733,274	\$ 18,811,936	\$ 18,962,389	\$ 19,766,358
Contributions as a percentage of Covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions (actuarially determined)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
Contributions as a percentage of Covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE
COUNTY EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contributions (actuarially determined)	\$ 816,695	\$ 789,975	\$ 892,929	\$ 897,319	\$ 1,048,163
Contributions in relation to the actuarially determined contributions	<u>816,695</u>	<u>789,975</u>	<u>892,929</u>	<u>897,319</u>	<u>1,048,163</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 6,405,454	\$ 6,360,511	\$ 6,400,924	\$ 6,196,956	\$ 6,462,161
Contributions as a percentage of Covered employee payroll	12.75%	12.42%	13.95%	14.48%	16.22%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions (actuarially determined)	\$ 1,213,079	\$ 1,146,559	\$ 1,332,426	\$ 1,691,301	\$ 1,772,218
Contributions in relation to the actuarially determined contributions	<u>1,213,079</u>	<u>1,146,559</u>	<u>1,332,426</u>	<u>1,691,301</u>	<u>1,772,218</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 6,285,382	\$ 5,940,721	\$ 6,214,419	\$ 7,227,782	\$ 7,593,054
Contributions as a percentage of Covered employee payroll	19.30%	19.30%	21.17%	23.40%	23.34%

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY - MEDICAL INSURANCE
COUNTY EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of net OPEB liability	0.262176%	0.250441%	0.254262%	0.244246%	0.229690%	0.228002%	0.246578%
District's proportionate share of the net OPEB liability	5,270,634	4,446,530	4,276,572	5,897,798	4,397,300	4,499,651	(340,442)
State of Kentucky's share of the net OPEB liability associated with the district	-	-	-	-	-	-	-
TOTAL	<u>5,270,634</u>	<u>4,446,530</u>	<u>4,276,572</u>	<u>5,897,798</u>	<u>4,397,300</u>	<u>4,499,651</u>	<u>(340,442)</u>
District's covered-employee payroll	6,196,956	6,462,161	6,285,382	5,940,721	6,214,419	7,227,782	7,593,054
District's proportionate share of the net OPEB liability as a percentage of its covered-payroll	85.05%	68.81%	68.04%	99.28%	70.76%	62.25%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	52.40%	57.62%	60.44%	51.67%	62.91%	47.76%	104.23%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY - MEDICAL INSURANCE PLAN
TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of net OPEB liability	0.3085%	0.3001%	0.3200%	0.3194%	0.5809%	0.5576%	0.5349%
District's proportionate share of the net OPEB liability	11,002,000	10,413,000	9,369,000	8,060,000	6,762,000	10,567,000	7,162,000
State of Kentucky's share of the net OPEB liability associated with the district	<u>8,987,000</u>	<u>8,974,000</u>	<u>7,566,000</u>	<u>6,456,000</u>	<u>5,492,000</u>	<u>3,471,000</u>	<u>6,037,000</u>
TOTAL	<u><u>19,989,000</u></u>	<u><u>19,387,000</u></u>	<u><u>16,935,000</u></u>	<u><u>14,516,000</u></u>	<u><u>12,254,000</u></u>	<u><u>14,038,000</u></u>	<u><u>13,199,000</u></u>
District's covered-employee payroll	\$ 18,962,388	\$ 19,766,358	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
District's proportionate share of the net OPEB liability as a percentage of its covered-payroll	58.02%	52.68%	46.89%	73.14%	58.98%	66.98%	61.26%
Plan fiduciary net position as a percentage of the total OPEB liability	21.18%	25.50%	32.60%	39.05%	51.74%	47.76%	53.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY - LIFE INSURANCE PLAN
TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net OPEB liability	-	-	-	-	-	-	-
State of Kentucky's share of the net OPEB liability associated with the district	<u>120,000</u>	<u>154,000</u>	<u>176,000</u>	<u>195,000</u>	<u>73,000</u>	<u>173,000</u>	<u>149,000</u>
TOTAL	<u><u>120,000</u></u>	<u><u>154,000</u></u>	<u><u>176,000</u></u>	<u><u>195,000</u></u>	<u><u>73,000</u></u>	<u><u>173,000</u></u>	<u><u>149,000</u></u>
District's covered-employee payroll	\$ 18,962,388	\$ 19,766,358	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
District's proportionate share of the net OPEB liability as a percentage of its covered-payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	79.99%	75.00%	73.40%	71.57%	89.15%	73.97%	76.90%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS TO THE MEDICAL INSURANCE PLAN
 COUNTY EMPLOYEES RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions (actuarially determined)	\$ 291,257	\$ 339,910	\$ 299,184	\$ 282,778	\$ 363,789	\$ 245,022	\$ -
Contributions in relation to the actuarially determined contributions	<u>291,257</u>	<u>339,910</u>	<u>299,184</u>	<u>282,778</u>	<u>363,789</u>	<u>245,022</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>					
Covered employee payroll	\$ 6,196,956	\$ 6,462,161	\$ 6,285,382	\$ 5,940,721	\$ 6,214,419	\$ 7,227,782	\$ 7,593,054
Contributions as a percentage of Covered employee payroll	4.70%	5.26%	4.76%	4.76%	5.78%	3.39%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE MEDICAL INSURANCE PLAN
TEACHERS RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions (actuarially determined)	\$ 534,636	\$ 592,991	\$ 599,374	\$ 595,407	\$ 623,319	\$ 628,775	\$ 646,372
Contributions in relation to the actuarially determined contributions	<u>534,636</u>	<u>592,991</u>	<u>599,374</u>	<u>595,407</u>	<u>623,319</u>	<u>628,775</u>	<u>646,372</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Covered employee payroll	\$ 17,821,189	\$ 19,766,358	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
Contributions as a percentage of Covered employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS TO THE LIFE INSURANCE PLAN
 TEACHERS RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions (actuarially determined)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	<u>-</u>						
Contribution deficiency (excess)	<u>\$ -</u>						
Covered employee payroll	\$ 18,962,389	\$ 19,766,358	\$ 19,979,133	\$ 19,846,906	\$ 20,777,300	\$ 20,959,183	\$ 21,545,725
Contributions as a percentage of Covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MEADE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

TEACHERS' RETIREMENT SYSTEM

NOTE A – CHANGES OF ASSUMPTIONS

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

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

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

In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%. • In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.

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

In the 2023 experience study the municipal bond index rate increased to 3.66%

NOTE B – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

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

Actuarial Cost Method	Entry age, normal
Amortization Period	Level percentage of payroll, closed
Remaining amortization period	30-year closed period that began fiscal year 2011 to amortize the unfunded liability
Asset valuation method	5-year asset smoothing method
Inflation	2.50 percent
Salary Increase	3.00 to 7.50 percent
Ultimate Investment rate of return	7.10 per annum, compounded annually, including inflation

NOTE C – CHANGES OF BENEFITS

There were no changes in benefits for TRS pension.

MEADE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

COUNTY EMPLOYEES RETIREMENT SYSTEM

NOTE A – CHANGES OF ASSUMPTIONS

2015

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

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

The assumed inflation rate was reduced from 3.5% to 3.255%.

The assumed rate of wage inflation was reduced from 1.00% to .75%.

Payroll growth assumption was reduced from 4.5% to 4%.

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 20013 (set back 1 year for females). For disabled members, the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

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

2016

There were no changes of assumptions for the year ended June 30, 2016.

2017

The following changes were made by the KRS Board of Trustees and reflected in the valuation performed as of June 30, 2017:

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

The assumed salary increases were reduced to 3.05%, average, from 4.00%, average including inflation

The assumed investment rate of return was reduced to 6.25% from 7.50%

2018

There were no changes in assumptions.

2019

The following changes were made by the KRS Board of Trustees and reflected in the valuation performed as of June 30, 2019:

The projected salary increase was changed to 3.3-11.5% from 3.05%

MEADE COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED JUNE 30, 2024

COUNTY EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

The asset valuation method was changed to 20% of the difference between the market value assets and the expected actuarial value of assets if recognized from 5-year smoothed market.

The payroll growth rate was changed to 2.0% from 4.0%.

The investment rate of return was change to 6.25% from 7.5%.

The inflation rate was changed to 2.3% from 3.25%.

2020

There were no changes of assumptions for the year ended June 30, 2020.

2021

There were no changes of assumptions for the year ended June 30, 2021.

2022

There were no changes of assumptions for the year ended June 30, 2022.

2023

There were no changes of assumptions for the year ended June 30, 2023.

NOTE B – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

The following actuarial methods and assumptions were used to determine the rates reported in that schedule:

Valuation Date	June 30, 2021
Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	30 years, Closed
	<i>Gains/losses incurring after 2019 will be amortized over separate 20-year amortization basis</i>
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30 percent
Salary Increase	3.30-10.30 percent, varies by service
Investment Rate of Return	6.25 percent
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS

The retiree mortality is 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.

NOTE C – CHANGES OF BENEFITS

There were no changes in benefits for CERS non-hazardous pensions.

MEADE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

TEACHERS' RETIREMENT SYSTEM

NOTE A – CHANGES OF ASSUMPTIONS

2017

There were no changes in assumptions.

2018

There were no changes in assumptions.

2019

There were no changes in assumptions.

2020

Health Care Cost Trend Rates were updated for the June 30, 2019 valuation.

2021

Health Trust and Life Trust

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives.

The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%.

The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

2022

There were no changes in assumptions.

2023

There were no changes in assumptions

NOTE B – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts.

NOTE C – CHANGES OF BENEFITS

There were no changes of benefits.

MEADE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

COUNTY EMPLOYEES RETIREMENT SYSTEM

NOTE A – CHANGES OF ASSUMPTIONS

2017

The assumed investment return was changed from 7.5% to 6.2%

The price inflation assumption was changed from 3.25% to 2.30% which resulted in a .95% decrease in the salary increase assumption at all years of service

The payroll growth assumption (*applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.0% to 2.0%

For the non-hazardous plan, the single discount rate changed from 6.89% to 5.84%. For the hazardous plan the single discount rate changed from 7.37% to 5.96%

2018

There were no changes in assumptions.

2019

The investment rate of return was changed to 6.25% from 7.0%.

The projected salary increases changed to 3.05-11.55% from 4.0%.

The inflation rate changed to 2.3% from 3.25%.

The payroll growth rate changed to 2.0% from 4.0%.

2020

There were no changes in assumptions.

2021

The single discount rates used to calculate the total OPEB liability changed since the prior year. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2020 valuation process and was updated to better reflect the plan's long-term healthcare costs.

2022

The Initial trend rate for Pre-65 was changes to 6.20% and for Post-65 the change was to 9.00%.

2023

The Initial trend rate for Pre-65 was changes to 6.30% and for Post-65 the change was to 6.3%.

MEADE COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 FOR THE YEAR ENDED JUNE 30, 2024

COUNTY EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

NOTE B – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

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 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, 2023:

Valuation Date	June 30, 2021
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	30 years, closed
	<i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30%-10.30%, varies by service
Investment Rate of Return	6.25 %
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Healthcare cost trend rates	
Pre - 65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post - 65	Initial trend starting at 6.30 % at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Phase-In Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

NOTE C – CHANGES OF BENEFITS

There were no changes in benefits for CERS, non-hazardous OPEB.

OTHER SUPPLEMENTARY
INFORMATION

MEADE COUNTY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	CAPITAL OUTLAY FUND	STUDENT ACTIVITY FUND	CONSTRUCTION FUND	TOTAL NON-MAJOR GOVERNMENT FUNDS
ASSETS:				
Cash & Cash Equivalents	1,100,407	465,714	516,890	2,083,011
Accounts Receivable				0
TOTAL ASSETS	1,100,407	465,714	516,890	2,083,011
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable				0
Total Liabilities	0	0	0	0
Fund Balances:				
Restricted for:				
Capital Projects	264,563		516,890	781,453
Student Activities		465,714		465,714
SFCC Escrow	835,844			835,844
Total Fund Balances	1,100,407	465,714	516,890	2,083,011
TOTAL LIABILITIES AND FUND BALANCES	1,100,407	465,714	516,890	2,083,011

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	CAPITAL OUTLAY FUND	STUDENT ACTIVITY FUND	CONSTRUCTION FUND	TOTAL NON-MAJOR GOVERNMENT FUNDS
REVENUES:				
Earnings on Investments		25,502	56,737	82,239
Intergovernmental - State	444,836			444,836
Other Sources		902,854		902,854
TOTAL REVENUES	<u>444,836</u>	<u>928,356</u>	<u>56,737</u>	<u>1,429,929</u>
EXPENDITURES:				
Instructional		842,253		842,253
Facilities Acquisition & Construction			1,622,119	1,622,119
TOTAL EXPENDITURES	<u>0</u>	<u>842,253</u>	<u>1,622,119</u>	<u>2,464,372</u>
EXCESS(DEFICIT) REVENUES OVER EXPENDITURES	444,836	86,103	(1,565,382)	(1,034,443)
OTHER FINANCING SOURCES(USES):				
Operating Transfers Out	(180,273)	(38,829)		(219,102)
TOTAL OTHER FINANCING SOURCES(USES)	<u>(180,273)</u>	<u>(38,829)</u>	<u>0</u>	<u>(219,102)</u>
NET CHANGE IN FUND BALANCES	<u>264,563</u>	<u>47,274</u>	<u>(1,565,382)</u>	<u>(1,253,545)</u>
FUND BALANCES - BEGINNING	<u>835,844</u>	<u>418,440</u>	<u>2,082,272</u>	<u>3,336,556</u>
FUND BALANCES - ENDING	<u><u>1,100,407</u></u>	<u><u>465,714</u></u>	<u><u>516,890</u></u>	<u><u>2,083,011</u></u>

See independent auditor's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES
 STUDENT ACTIVITY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	FUND BALANCE JULY 1, 2023	REVENUES	EXPENDITURES	FUND BALANCE JUNE 30, 2024
Meade County High School	295,503	640,412	628,285	307,630
Barry Hahn Primary	4,907	26,098	22,586	8,419
David T. Wilson Elementary	11,876	62,695	47,886	26,685
Ekron Elementary	35,791	25,286	30,592	30,485
Flaherty Elementary	8,579	24,497	22,634	10,442
Flaherty Primary	25,264	25,944	21,867	29,341
Payneville Elementary	12,211	13,444	18,980	6,675
Stuart Pepper Middle	24,309	109,980	88,252	46,037
Total Activity Funds (Due to Student Groups)	<u>418,440</u>	<u>928,356</u>	<u>881,082</u>	<u>465,714</u>

See independent accountant's report and accompanying notes to financial statements.

MEADE COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
HIGH SCHOOL ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	CASH			CASH			ACCOUNTS	ACCOUNTS	FUND
	BALANCE			BALANCE			PAYABLE	BALANCE	
	<u>JULY 1, 2023</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>JUNE 30, 2024</u>		<u>JUNE 30, 2024</u>	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2024</u>	
Athletic	16,741	139,749	129,643	26,847		0	0	26,847	
Boys Basketball	8,184	15,095	15,235	8,044		0	0	8,044	
Cheerleaders	1,476	13,628	12,077	3,027		0	0	3,027	
Football	23,779	29,831	44,180	9,430		0	0	9,430	
Youth Football	6,597	13,562	12,634	7,525		0	0	7,525	
Wrestling	872	2,413	2,595	690		0	0	690	
Girls Basketball	2,060	8,928	5,110	5,878		0	0	5,878	
Boys Golf	2,555	1,203	3,758	0		0	0	0	
Boys Soccer	1,710	11,586	11,073	2,223		0	0	2,223	
Softball	0	4,205	4,205	0		0	0	0	
Volleyball	189	1,200	1,287	102		0	0	102	
Swim	1,624	2,983	3,348	1,259		0	0	1,259	
Baseball	7,245	4,050	10,980	315		0	0	315	
Girls Golf	1,413	4,211	3,583	2,041		0	0	2,041	
B/G Tennis	1,410	5,295	3,149	3,556		0	0	3,556	
Girls Soccer	5,716	10,394	10,433	5,677		0	0	5,677	
Track/CC	3,287	20,871	18,890	5,268		0	0	5,268	
Bowling	3,704	3,875	2,627	4,952		0	0	4,952	
General	14,584	26,055	8,595	32,044		0	0	32,044	
Machine Fund	2,942	107	3,049	0		0	0	0	
Parking	1,773	6,895	6,212	2,456		0	0	2,456	
Textbook Rental	7,835	15,563	23,350	48		0	0	48	
Academic Jackets	0	1,275	1,275	0		0	0	0	
Machine Fund - Staff	515	1,335	1,305	545		0	0	545	
Background Checks	40	540	300	280		0	0	280	
Incentives	0	3,607	3,292	315		0	0	315	
Drama	19,338	5,219	5,495	19,062		0	0	19,062	
Cassidy Sible Scholarship	9,290	5,124	4,000	10,414		0	0	10,414	
FCA	4,272	411	802	3,881		0	0	3,881	
FBLA	3,507	4,999	5,352	3,154		0	0	3,154	
FFA	7,703	44,820	48,754	3,769		0	0	3,769	
FCCLA	10,309	13,617	15,209	8,717		0	0	8,717	
National Honors Society	3,587	3,955	3,588	3,954		0	0	3,954	
Pep Club	1,000	2,767	1,778	1,989		0	0	1,989	
GSA	225	0	225	0		0	0	0	
SADD	616	2,140	1,038	1,718		0	0	1,718	
SADD 2	2,672	205	0	2,877		0	0	2,877	
Science Club	138	130	123	145		0	0	145	
Foreign Language	161	366	333	194		0	0	194	
TRI-M	168	1,392	1,554	6		0	0	6	
Technology Club	2,477	833	3,057	253		0	0	253	
Archery	876	500	0	1,376		0	0	1,376	
FEA	579	5,838	3,604	2,813		0	0	2,813	
Counselors	1,669	8,036	5,343	4,362		0	0	4,362	
Family & Consumer SC	393	15,836	14,375	1,854		0	0	1,854	
Library	689	1,006	793	902		0	0	902	
Art	846	136	121	861		0	0	861	

Arts National Honor Society	15	0	15	0	0	0	0
Teen Court	34	0	34	0	0	0	0
STLP	86	0	86	0	0	0	0
Book Club	58	134	191	1	0	0	1
Games Club	378	440	319	499	0	0	499
Trap Shooting	513	0	0	513	0	0	513
Earth Initiative Club	201	410	411	200	0	0	200
Band	2,333	63,341	61,630	4,044	0	0	4,044
Chorus	1,383	22,977	24,298	62	0	0	62
Gracie Prater Scholarship	2,000	0	0	2,000	0	0	2,000
Dance	7,495	14,461	15,912	6,044	0	0	6,044
Intramural	1,530	0	1,530	0	0	0	0
Student Government	5,638	14,120	10,581	9,177	0	0	9,177
Prom	8,323	20,158	22,233	6,248	0	0	6,248
Yearbook	17,593	15,996	5,878	27,711	0	0	27,711
Tidal Wave Bank	3,784	6,410	5,598	4,596	0	0	4,596
Greenhouse	7,949	6,480	5,141	9,288	0	0	9,288
Splash Publishing	437	0	0	437	0	0	437
Y-Club	3,981	15,858	17,550	2,289	0	0	2,289
JCC	857	0	857	0	0	0	0
FMD	1,483	8,393	8,568	1,308	0	0	1,308
Wellness Program	267	0	267	0	0	0	0
Family Resources	4,904	3,145	2,040	6,009	0	0	6,009
School Nurse	14,429	4,228	1,041	17,616	0	0	17,616
iPads	5,004	9,435	14,304	135	0	0	135
Business Brew	4,404	0	284	4,120	0	0	4,120
JROTC	1,604	690	1,320	974	0	0	974
Bass Fishing	5,350	8,780	13,343	787	0	0	787
Esports	750	620	1,227	143	0	0	143
We Dine Together	935	225	82	1,078	0	0	1,078
CPR/First Aid	944	2,835	1,945	1,834	0	0	1,834
CB Covers	579	1,255	320	1,514	0	0	1,514
LAD	1,776	1,922	2,494	1,204	0	0	1,204
Graduation	1,720	1,800	544	2,976	0	0	2,976
Total All Funds	295,503	689,899	677,772	307,630	0	0	307,630
Interfund Transfers		(49,487)	(49,487)				0
Total	295,503	640,412	628,285	307,630	0	0	307,630

MEADE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL ALN NUMBER</u>	<u>PASS THROUGH NUMBER (if applicable)</u>	<u>PROVIDED TO SUBRECIPIENTS</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Education</u>				
Passed-Through Department of Education				
Title I - Grants to Local Educational Agencies	84.010	3100002-23		222,413
Title I - Grants to Local Educational Agencies	84.010	3100002-24		826,499
Title I - Parent Involvement	84.010	3100002-23		653
Title I - Parent Involvement	84.010	3100002-24		10,050
Title I Grants to Local Educational Agencies Total				1,059,615
Supporting Effective Instruction State Grants	84.367	3230002-23		16,060
Supporting Effective Instruction State Grants	84.367	3230002-24		71,471
Supporting Effective Instruction Total				87,531
Perkins Voc.	84.048	3710006-24		26,625
Title III - English Language Acquisition State Grants	84.365	3960002-22		644
Title III - English Language Acquisition State Grants	84.365	3960002-23		12,194
Title III - English Language Acquisition State Grants	84.365	3960002-24		1,809
Title III Total				14,647
Title IV, Part A-Student Support and Academic Enrichment	84.424	342002-23		97,100
Title IV, Part A-Student Support and Academic Enrichment	84.424	342002-24		39,121
Title IV Total				136,221
Impact Aid	84.410	DIRECT		81,311
COVID-19- Elementary and Secondary School Emergency Relief Fund	84.425U	4300005		1,600,307
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425W	4980002		18,833
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	4000002		26,758
COVID-19 Education Stabilization Fund Total				1,645,898
IDEA - Special Education - Grants to State	84.027	3810002-22		35,959
IDEA - Special Education - Grants to State	84.027	3810002-23		205,660
IDEA - Special Education - Grants to State	84.027	3810002-24		1,076,876
IDEA - Special Education - Preschool Grants	84.173	3800002-22		174
IDEA - Special Education - Preschool Grants	84.173	3800002-23		1,244
IDEA - Special Education - Preschool Grants	84.173	3800002-24		51,963
COVID - 19- Special Education-Grants to States	84.027X	4900002		10,758
COVID - 19- Special Education-Preschool Grants	84.027X	4900002		2,559
Special Education Cluster				1,385,193
Total U.S. Department of Education				4,437,041
<u>U.S. Department of Defense</u>				
JROTC	12.404	Direct		53,611
<u>U.S. Department of Agriculture</u>				
Passed-Through State Department of Education				
School Breakfast Program	10.553	7760005-23		188,670
School Breakfast Program	10.553	7760005-24		696,201
National School Lunchroom	10.555	7750002-23		474,760
National School Lunchroom	10.555	7750002-24		1,761,064
National School Lunchroom	10.559	7740023-23		22,337
National School Lunchroom	10.559	7690024-23		2,343
Child Nutrition Cluster				3,145,375
Passed-Through State Department of Education				
Child & Adult Care Food Program	10.558	7790021-23		9,605
Child & Adult Care Food Program	10.558	7790021-24		37,413
Child & Adult Care Food Program	10.558	7800016-23		667
Child & Adult Care Food Program	10.558	7800016-24		2,597
Child & Adult Care Food Program Total				50,282
Pass-Through State Department of Agriculture				
State Administration for Child Expenses	10.560	7700001-23		7,216
Passed-Through State Department of Education				
Food Distribution	10.565	057502-10		142,163
Total U.S. Department of Agriculture				3,345,036
Total Federal Financial Assistance				7,835,688

MEADE COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Meade County School District under programs of the federal government for the year ended June 30, 2024. 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 Meade County School District, it is not intended to and does not present the financial position, changes in net asset, or cash flows of Meade County School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed.

NOTE D – DE MINIMIS COST RATE

The District did not elect to use the 10 percent de minimis cost rate as allowed under the Uniform Guidance.

NOTE E – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

MEADE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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 deficiency(ies) 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 deficiency(ies) 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 2 CFR section 200.516(a)? _____ Yes X No

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425W/84.425U 10.553/10.555/10.559	COVID-19 Education Stabilization Fund Child Nutrition Cluster

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

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

Section II – Financial Statement of Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

MEADE COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2024

There were no prior year audit findings.

MONTGOMERY & COMPANY, P.L.L.C

Certified Public Accountants

710 Highway 208

Lebanon, KY 40033

270-995-2474

Joseph A. Montgomery, CPA

Email joe.montgomery@jamcpas.com

November 15, 2024

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

Members of the Board of Education
Meade County School District
Brandenburg, Kentucky

I 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 *Appendix I to the Independent Auditor's Contract – Audit Extension Request*, *Appendix II to the Independent Auditor's Contract – Instructions for Submission of the Audit Contract, Audit Acceptance Statement, AFR and Balance Sheet, Statement of Certification, and Audit Report*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meade County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Meade County School District's basic financial statements, and have issued my report thereon dated November 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Meade County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Meade County School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Meade 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meade County School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of my tests disclosed no material instances of noncompliance of specific state statutes or regulation identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

Purpose of this Report

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

Sincerely,

Montgomery & Company, L.L.C.

Certified Public Accountants

MONTGOMERY & COMPANY, P.L.L.C

Certified Public Accountants

710 Highway 208

Lebanon, KY 40033

270-995-2474

Joseph A. Montgomery, CPA

Email joe.montgomery@jamcpas.com

November 15, 2024

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

Members of the Board of Education
Meade County School District
Brandenburg, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Meade County School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Meade County School District's major federal programs for the year ended June 30, 2024. Meade 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 my opinion, Meade 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, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United State 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); and *Appendix I to the Independent Auditor's Contract – Audit Extension Request, Appendix II to the Independent Auditor's Contract – Instructions for Submission of the Audit Contract, Audit Acceptance Statement, AFR and Balance Sheet, Statement of Certification, and Audit Report*. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

My 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 Meade County School District's compliance based on my 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 Meade County School District's compliance with the requirements of each major federal program as a whole.

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

- 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 Meade County School District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Meade 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 Meade County School District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

Sincerely,

Montgomery & Company, L.L.C.

Certified Public Accountants

MONTGOMERY & COMPANY, P.L.L.C

Certified Public Accountants

710 Highway 208

Lebanon, KY 40033

270-995-2474

Joseph A. Montgomery, CPA

Email joe.montgomery@jamcpas.com

November 15, 2024

MANAGEMENT LETTER

Members of the Board of Education
Meade County School District
Brandenburg, Kentucky

In planning and performing my audit of the financial statements of Meade County School District for the year ended June 30, 2024, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements. Our professional standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. I feel that the District's financial statements are free of material misstatement. However, I offer the following suggestions that I feel will strengthen your organization's internal control structure.

In planning and performing my audit of the financial statements of Meade County School District for the year ended June 30, 2024, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements. Our professional standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. I feel that the District's financial statements are free of material misstatement. However, I offer the following suggestions that I feel will strengthen your organization's internal control structure.

Prior Year Recommendations - District:

None.

Prior Year Recommendations – School Activity Funds:

2023-1 Prior Year Recommendation:

During the 2023 audit, four instances were found at Meade County High School where the purchases occurred prior to the issuance and approval of purchase orders. I recommend that all coaches and teachers utilizing activity funds be reminded that they must have an approved purchase order prior to making purchases.

Current Year Status:

No such instances were noted during current year testing.

Current Year Recommendations – School Activity Funds:

None.

Current Year Recommendations – District:

None.

Current Year Recommendations – District:

None.

I will review the status of these comments during our next audit engagement. I have already discussed these comments and suggestions with various District personnel, and I will be pleased to perform any additional study of this matter or to assist you in implementing the recommendations.

I would like to offer our assistance throughout the year if and when new or unusual situations arise. My awareness of new developments when they occur would help to ensure that the District is complying with requirements such as those mentioned above.

Sincerely,

Montgomery & Company, L.L.C.

Certified Public Accountant

MONTGOMERY & COMPANY, P.L.L.C

Certified Public Accountants

710 Highway 208

Lebanon, KY 40033

270-995-2474

Joseph A. Montgomery, CPA

Email joe.montgomery@jamcpas.com

November 15, 2024

Members of the Board of Education
Meade County School District
Brandenburg, Kentucky

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meade County School District for the year ended June 30, 2024. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated April 9, 2024. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Matters:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meade County School District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. I noted no transactions entered into by Meade County School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the sick leave liability is based on current pay rates and those currently eligible for retirement. I evaluated the key factors and assumptions used to develop the sick leave liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated November 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Meade County School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Meade County School District's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Matters

I applied certain limited procedures to management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. My procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

I was not engaged to report on the budgetary comparison information on pages 53 and 54, or on the schedules of the district's proportionate share of net pension liabilities and other post-employment benefit plans on pages 55-56 and 59-61, or on the schedules of contributions to the County Employees Retirement System and Teachers Retirement System pension plans or the County Employees Retirement System and Teachers Retirement System other post-employment benefit plans on pages 57-58 and 62-64,

which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of Members of the Board of Education and management of Meade County School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Montgomery & Company, P.L.L.C.

Certified Public Accountants

APPENDIX C

**Meade County School District Finance Corporation
School Building Revenue Bonds
Series of 2025**

Continuing Disclosure Undertaking Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of August 6, 2025, by and between the Board of Education of Meade County, Kentucky ("Board"); the Meade County School District Finance Corporation, an agency and instrumentality of the Board ("Corporation") and the Registered and Beneficial Owners of the Bonds hereinafter identified as third-party beneficiaries to this Agreement. For the purposes of this Agreement "Beneficial Owner" means the person or entity treated as the owner of the Bonds for federal income tax purposes and "Registered Owner" means the person or entity named on the registration books of the bond registrar.

WITNESSETH:

WHEREAS, the Corporation has acted as issuing agency for the Board pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and the Corporation's Bond Resolution in connection with the authorization, sale and delivery of \$50,570,000 of the Corporation's School Building Revenue Bonds, Series of 2025, dated August 6, 2025 ("Bonds"), which Bonds were offered for sale under the terms and conditions of a Final Official Statement ("FOS") prepared by RSA Advisors, LLC, Lexington, Kentucky ("Municipal Advisor") and approved by the authorized representatives of the Board and the Corporation, and

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

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

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

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

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

1. ANNUAL FINANCIAL INFORMATION

The Board agrees to provide the annual financial information contemplated by Rule 15c2-12(b)(5)(i) relating to the Board for its fiscal years ending June 30 of each year, commencing with the fiscal year ending June 30, 2025, to (a) the Municipal Securities Rulemaking Board ("MSRB"), or any successor thereto for purposes of its Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission and (b) the State Information Depository ("SID"), if any (the Commonwealth of Kentucky has not established a SID as of the date of this Agreement) within nine (9) months of the close of each fiscal year.

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

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

The parties hereto agree that this Agreement is entered into among them for the benefit of those who become Registered and Beneficial Owners of the Bonds as third party beneficiaries to said Agreement.

2. MATERIAL EVENTS NOTICES

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

1. Principal/interest payment delinquency;
2. Nonpayment related default, if material;
3. Unscheduled draw on debt service reserve reflecting financial difficulties;
4. Unscheduled draw on credit enhancement reflecting financial difficulties;
5. Substitution of credit or liquidity provider, or its failure to perform;
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond call, if material and tender offers;
9. Defeasance;
10. Release, substitution or sale of property securing the repayment of the security, if material;
11. Rating change;
12. Merger, consolidation, acquisition or sale of all or substantially all assets of an obligated person, other than in the ordinary course of business, and the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such action, other than pursuant to its terms, if material;
13. Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. Successor, additional or change in trustee, if material;
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material, and;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

- (A) Debt obligation;
- (B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (C) Guarantee of paragraph (A) or (B) above.

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

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

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

3. SPECIAL REQUESTS FOR INFORMATION

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

4. DISCLAIMER OF LIABILITY

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

5. FINAL OFFICIAL STATEMENT

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

6. DURATION OF THE AGREEMENT

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

7. AMENDMENT; WAIVER

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

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

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

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

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

8. DEFAULT

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

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

**BOARD OF EDUCATION OF MEADE COUNTY,
KENTUCKY**

Attest:

Chairman

Secretary

**MEADE COUNTY SCHOOL
DISTRICT FINANCE CORPORATION**

Attest:

President

Secretary

APPENDIX D

**Meade County School District Finance Corporation
School Building Revenue Bonds
Series of 2025**

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

\$50,570,000*

**Meade County School District Finance Corporation
School Building Revenue Bonds, Series of 2025
Dated August 6, 2025**

SALE: July 16, 2025 AT 11:00 A.M., E.D.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Meade County School District Finance Corporation ("Corporation") will until July 16, 2025, at the hour of 11:00 A.M. E.D.S.T., in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street, 5th Floor, Frankfort, KY 40622, receive competitive bids for the revenue bonds herein described. To be considered, bids must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated. Bids may be submitted manually or by facsimile or electronically via PARITY. Bids will be considered by the Corporation and may be accepted without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by up to \$5,055,000.

**MEADE COUNTY SCHOOL
DISTRICT FINANCE CORPORATION**

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

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance Meade County High School renovations (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school building Project property to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2026; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance the school building(s) which constitute the school building Project (the "Parity Bonds").

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

The rental of the school building Project property from the Corporation to the Board is to be effected under a certain Lease Agreement by and between the Corporation and the Board (the "Lease"), whereunder the school building Project property is leased to the Board for the initial period ending June 30, 2026, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

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

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately \$5,697 to be applied to the annual debt service requirements for the Bonds herein identified through August 1, 2045, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately \$5,697 to be applied to the annual debt service requirements for the Bonds herein identified each year through August 1, 2045; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2026; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period through August 1, 2045, but such execution does not obligate the Commission to do so.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2026. Inter alia, the Budget provides \$116,928,400 in FY 2024-2025 and \$126,269,500 in FY 2025-2026 to pay debt service on existing and future bond issues. There are \$75,900,000 of the Commission's previous Offers of Assistance made during the last biennium. It authorizes \$85,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

ADDITIONAL PARITY BONDS

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

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of \$5,000 within the same maturity, bear interest from August 6, 2025, payable on February 1, 2026, and semi annually thereafter and shall mature as to principal on August 1 in each of the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$ 15,000	2037	\$ 145,000
2027	15,000	2038	1,145,000
2028	15,000	2039	1,205,000
2029	15,000	2040	2,900,000
2030	15,000	2041	3,005,000
2031	15,000	2042	6,150,000
2032	120,000	2043	6,455,000
2033	125,000	2044	5,320,000
2034	130,000	2045	5,645,000
2035	135,000	2046	5,850,000
2036	140,000	2047	5,950,000
		2048	6,060,000

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to \$5,055,000 which may be applied in any or all maturities.

The Bonds maturing on or after August 1, 2034 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after August 1, 2033, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

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

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky, has been designated as the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co. Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see "BOOK-ENTRY-ONLY-SYSTEM" below. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on February 1 and August 1 of each year, beginning February 1, 2026 (Record Date is the 15th day of month preceding interest due date).

BIDDING CONDITIONS AND RESTRICTIONS

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

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

(C) The minimum bid shall be not less than \$49,558,600 (98% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(E) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for exactly \$50,570,000 principal amount of Bonds offered for sale under the terms and conditions herein specified, but the Corporation may adjust the principal amount of Bonds upward or downward by \$5,055,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of \$45,515,000 or a maximum of \$55,625,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid. The price of which such adjusted principal amount of Bonds will be sold will be the same price per \$5,000 of Bonds as the price per \$5,000 for the \$50,570,000 of Bonds bid.

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is July 16, 2025.

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

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

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

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

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

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

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

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

STATE SUPPORT OF EDUCATION

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

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

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

KRS 157.420 establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$4,326) for the current biennium which is required to be segregated into a Capital Outlay Allotment Fund which may be used only for (1) direct payment of construction costs; (2) debt service on voted and funding bonds; (3) lease rental payments in support of bond issues; (4) reduction of deficits resulting from over expenditures for emergency capital construction; and (5) a reserve for each of the categories enumerated in 1 through 4 above.

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

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

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

KRS 157.620(1) also provides that in order to be eligible for participation from the Kentucky School Facilities Construction Commission for debt service on bond issues the district must levy a tax which will produce revenues equivalent to \$.05 per \$100 of the total assessed value of all property in the district (including tangible and intangible property and motor vehicles) in addition to the minimum \$.30 levy required by KRS 160.470(12). A district having a special voted tax which is equal to or higher than the required \$.05 tax, must commit and

segregate for capital purposes at least an amount equal to the required \$.05 tax. Those districts which levy the additional \$.05 tax are also eligible for participation in the Kentucky Facilities Support ("KFS") program for which funds are appropriated separately from SEEK funds and are distributed to districts in accordance with a formula taking into account outstanding debt and funds available for payment from both local and state sources under KRS 157.440(1)(b).

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

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2026

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

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

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

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE

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

Financial information regarding the Board may be obtained from Superintendent, Meade County Board of Education, 1155 Old Ekron Road, Brandenburg, Kentucky 40408 (270.422.7500).

TAX EXEMPTION; NOT BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and interest on the Bonds will not be a specific item of tax preference for purposes of 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.

(C) As a result of certifications by the Board and the Corporation, indicating the issuance of MORE than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2025, the Bonds may NOT be treated by financial institutions as "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

**MEADE COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

By /s/Kirby Smith
Secretary

APPENDIX E

**Meade County School District Finance Corporation
School Building Revenue Bonds
Series of 2025**

Official Bid Form

**OFFICIAL BID FORM
(Bond Purchase Agreement)**

The Meade County School District Finance Corporation ("Corporation" or "Issuer"), will until 11:00 A.M. E.D.S.T., on July 16, 2025, receive in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street, 5th Floor, Frankfort, KY 40622, (telephone 502-564-5582; fax 888-979-6152) competitive bids for its \$50,570,000 School Building Revenue Bonds, Series of 2025, dated August 6, 2025; maturing August 1, 2026 through 2048 ("Bonds").

We hereby bid for said \$50,570,000* principal amount of Bonds, the total sum of \$_____ (not less than \$49,558,600) plus accrued interest from August 6, 2025 payable February 1, 2026 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on August 1 in the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2026	\$ 15,000	_____ %	2037	\$ 145,000	_____ %
2027	15,000	_____ %	2038	1,145,000	_____ %
2028	15,000	_____ %	2039	1,205,000	_____ %
2029	15,000	_____ %	2040	2,900,000	_____ %
2030	15,000	_____ %	2041	3,005,000	_____ %
2031	15,000	_____ %	2042	6,150,000	_____ %
2032	120,000	_____ %	2043	6,455,000	_____ %
2033	125,000	_____ %	2044	5,320,000	_____ %
2034	130,000	_____ %	2045	5,645,000	_____ %
2035	135,000	_____ %	2046	5,850,000	_____ %
2036	140,000	_____ %	2047	5,950,000	_____ %
			2048	6,060,000	_____ %

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as \$55,625,000 of Bonds or as little as \$45,515,000 of Bonds, at the same price per \$5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is July 16, 2025.

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

Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY®

shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing, non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

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

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

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

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

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

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about August 6, 2025, and upon acceptance by the Issuer's Municipal Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

Bidder
By _____
Authorized Officer

Address

Total interest cost from August 6, 2025, to final maturity \$ _____
Plus discount or less any premium \$ _____
Net interest cost (Total interest cost plus discount) \$ _____
Average interest rate or cost _____ %

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

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

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2026	_____,000	_____%	2037	_____,000	_____%
2027	_____,000	_____%	2038	_____,000	_____%
2028	_____,000	_____%	2039	_____,000	_____%
2029	_____,000	_____%	2040	_____,000	_____%
2030	_____,000	_____%	2041	_____,000	_____%
2031	_____,000	_____%	2042	_____,000	_____%
2032	_____,000	_____%	2043	_____,000	_____%
2033	_____,000	_____%	2044	_____,000	_____%
2034	_____,000	_____%	2045	_____,000	_____%
2035	_____,000	_____%	2046	_____,000	_____%
2036	_____,000	_____%	2047	_____,000	_____%
			2048	_____,000	_____%

Dated: July 16, 2025

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