PRELIMINARY OFFICIAL STATEMENT
(Bonds to be sold November 12, 2013, 11:00 a.m. EST)

BANK QUALIFIED

Moody's Rating: "Aa3"
(See "Rating" Herein)

ELECTRONIC BIDDING VIA PARITY

BOOK-ENTRY-ONLY SYSTEM

PRELIMINARY OFFICIAL STATEMENT DEEMED NEAR FINAL UNDER SEC RULE 15c2-12(b)(1) but subject to revision, amendment and completion in a "Final Official Statement".

$385,000*
GALLATIN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REFUNDING REVENUE BONDS
SERIES OF 2013

Dated: Day of Delivery (November 27, 2013)

Due: June 1, as shown below

The Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Accordingly, principal, interest and premium, if any, on the Bonds will be paid by U.S. Bank National Association, Louisville, Kentucky, as Paying Agent and Registrar, directly to DTC or Cede & Co., its nominee. DTC will in turn remit such principal, interest or premium to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Bonds. The Bonds will be issued in denominations of $5,000 each or integral multiples thereof, and will bear interest payable on June 1, 2014 and thereafter semiannually on each December 1 and June 1.

The Bonds are not subject to optional redemption prior to their stated maturities.

SCHEDULE OF MATURITIES

Due	Cusip # 363650	Amount*	Rate	Yield	Due	Cusip # 363650	Amount*	Rate	Yield
6/1/14		$ 40,000			6/1/20		$ 35,000		
6/1/15		35,000			6/1/21		35,000		
6/1/16		35,000			6/1/22		35,000		
6/1/17		30,000			6/1/23		35,000		
6/1/18		35,000			6/1/24		35,000		
6/1/19		35,000							

(plus accrued interest-when issued)

Purchaser's Option - The Purchaser of the Bonds may specify to the Financial Advisor that any Bonds may be combined with immediately succeeding sequential maturities into a Term Bond or Term Bonds, 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 are issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.120 through 162.300, 162.385, and Section 58.180 of the Kentucky Revised Statutes. The Bonds constitute a limited indebtedness of the Corporation and are payable, both principal and interest, only from revenues to be derived from lease rental payments to be paid on a year-to-year basis by the Gallatin County Board of Education to the Corporation for use of the school facilities in accordance with the terms of a Contract, Lease and Option between the Board and the Corporation.

In the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes under existing law, regulations and court decisions, except as to certain recipients, and the Bonds and interest thereon are exempt from income taxes and ad valorem taxes in the Commonwealth of Kentucky and any political subdivision thereof. See "Tax Exemption" herein.

The Bonds are issued subject to approval of legality by Steptoe & Johnson PLLC, Louisville, Kentucky, Bond and Special Tax Counsel to the Corporation. Delivery of the Bonds is expected on or about November 27, 2013.

*Preliminary, Subject to Permitted Adjustment.

FIRST KENTUCKY SECURITIES CORPORATION
Fiscal Agent

GALLATIN COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION

GALLATIN COUNTY (KENTUCKY) SCHOOL DISTRICT BOARD OF EDUCATION

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

FISCAL AGENT

First Kentucky Securities Corporation
Frankfort, Kentucky

PAYING AGENT/ESCROW AGENT

U. S. Bank National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

No dealer, broker, salesman, or other person has been authorized by the Gallatin County School District Finance Corporation, the Gallatin County Board of Education, or First Kentucky Securities Corporation, the Financial 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 where otherwise indicated, the information set forth herein has been obtained from the Kentucky Department of Education and the Gallatin County Board of Education 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 First Kentucky Securities Corporation, the Financial Advisor, or by Bond 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.

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PRELIMINARY OFFICIAL STATEMENT

$385,000*
GALLATIN COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS
SERIES OF 2013

Dated Date: Day of Delivery

This Official Statement, which includes the cover page, is being distributed by the Gallatin County School District Finance Corporation (the "Corporation") to furnish pertinent information to all who may become holders of its School Building Refunding Revenue Bonds, Series of 2013, dated the day of delivery (the "Bonds") being offered hereby pursuant to 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 Sections 58.050 through 58.140, and 58.180, and pursuant to the terms of a Bond Resolution adopted by the Corporation.

The summaries and references to Sections of the Kentucky Revised Statutes, the Bond Resolution, and the Lease, as included in this Official Statement, do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document.

DESCRIPTION OF THE BONDS

Authorization

Pursuant to Sections 162.120 through 162.300 and Section 162.385 of the Kentucky Revised Statutes and KRS Chapter 273 and KRS 58.010 through 58.140 and 58.180, the Corporation adopted a Bond Resolution (i) authorizing the issuance of $385,000* School Building Refunding Revenue Bonds; (ii) approving the publication of a Notice of Sale of Bonds; (iii) approving the terms and conditions of bond sale; and (iv) authorizing the President of the Corporation to execute the Official Statement related to the Bonds.

Terms

The Bonds will be dated the day of delivery, will bear interest payable December 1, 2014, and thereafter semiannually on each June 1 and December 1 at the rates established upon acceptance of a bid for said Bonds and, will mature on the dates and in the amounts set forth on the cover page.

Book Entry

The following information regarding DTC and Cede & Co. will be applicable to the Bonds as long as a book entry system is utilized. The Corporation does not assume any responsibility for the accuracy or completeness of the information set forth under this caption "Book Entry", and the Corporation is not required to supervise, and will not supervise, the operation of the book entry system described herein.

DTC is a limited purpose trust company organized under the laws of the State of New York, 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, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need of physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "Indirect Participants").

Upon issuance of the Bonds, DTC Participants shall receive a credit balance in the records of DTC. ***The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") will be recorded through the records of the applicable DTC Participant.*** Beneficial Owners will receive a written confirmation of their purchase provided by the applicable DTC Participant, providing details of the Bonds acquired. Transfers of ownership interests in the Bonds ("Beneficial Ownership Interests") will be accomplished by book entries made by DTC and, in turn, by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will **not** receive certificates representing their ownership interest in the Bonds, except as specifically provided in the Bond Resolution.

*Preliminary, Subject to Permitted Adjustment.

The Corporation has no responsibility or liability for any aspects of the records relative to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership.

Principal, sinking fund, and interest payments on the Bonds will be made to DTC or its nominee, as registered owner of the Bonds. Upon receipt of moneys, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such DTC Participant or Indirect Participant and not of DTC or the Agency, subject to any statutory and regulatory requirements as may be in effect from time to time.

A Beneficial Owner shall give notice to elect to have its Beneficial Ownership Interests purchased or tendered, through its DTC Participant, to the Paying Agent and Registrar, and shall effect delivery of such Beneficial Ownership Interests by causing the Direct Participant to transfer the DTC Participant's interest in the Beneficial Ownership Interests, on DTC's records, to the purchaser or the Paying Agent and Registrar, 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.

The Paying Agent and Registrar, so long as a book entry method is used for the Bonds, will send only to DTC any notice of redemption or other notices required to be sent to Bondholders. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice.

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

The Corporation and the Paying Agent and Registrar cannot and do not represent or give any assurances that DTC, the DTC Participants or Indirect Participants or others will distribute payments of debt service charges on the Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

Redemption Provisions

The Bonds are not subject to optional redemption prior to their stated maturities.

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 of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

Authority and Purpose

The Refunding Bonds are being issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including KRS Sections 162.120 through 162.300, 162.385, and Section 58.180, within the meaning of the decision of the Court of Appeals of Kentucky (Supreme Court) in the case of Hemlepp v. Aronberg, 369 S.W.2d 121, for the purpose of providing funds to retire all of the outstanding Gallatin County School District Finance Corporation School Building Revenue Bonds, Series of 2004, dated June 1, 2004 (the "Series 2004 Bonds") maturing June 1, 2014 and thereafter, (the "Defeased Bonds").

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.

The Commission will enter into an Adjusted Participation Agreement with the Board whereunder the Commission will agree to continue to pay annually approximately 99.88% of the annual debt service requirements for the Refunding Bonds through June 1, 2024. 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 budget period terminating on June 30, 2014.

The Extraordinary Session of the General Assembly of the Commonwealth adopted the State's Budget for the biennium ending June 30, 2014. *Inter alia*, the Budget provides $99,040,000 in FY 2012-13 and $106,264,000 in FY 2013-14 to pay debt service on existing and future bond issues; $100,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes $100,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2016.

PROCEEDS TO RETIRE ALL BONDS OF PRIOR ISSUE

The Refunded Bonds were issued by the Corporation under the authority of KRS Sections 162.120 through 162.300 and 162.385 for the purpose of providing funds for financing construction of softball and baseball fields at Gallatin County High School (the "Project") for the Board. Under the terms of the Bond Resolutions authorizing the Refunded Bonds, those Bonds are payable from the income and revenues of the Projects financed from the proceeds thereof.

The aggregate total principal amount of the Prior Issue outstanding as of November 27, 2013 is $353,000, scheduled to mature on June 1 in each of the years 2014 through 2024.

Upon the delivery of the Refunding Bonds sufficient proceeds thereof shall be deposited in a special Escrow Fund and invested in U.S. Government Obligations in order to provide for (a) the payment of the accruing interest requirements of the Series 2004 Bonds due December 1, 2013 through June 1, 2014; (b) the payment of $29,000 principal amount of Series 2004 Bonds maturing June 1, 2014 and (c) $324,000 principal of the Series 2004 Bonds maturing June 1, 2015 and thereafter, without redemption premium, on June 1, 2014.

The 2013 Bond Resolution expressly provides that upon delivery of the Refunding Bonds and the deposit of sufficient funds in accordance with the preceding paragraph the statutory mortgage liens upon and the pledges of the revenues from the rental of the Projects under the Prior Lease from the Corporation to the Board shall terminate as the security and source of payment for the Refunded Bonds and the Registered Owners of the Refunded Bonds shall be paid from and secured by the monies deposited in the Prior Bond Fund or Escrow Fund for the retirement thereof upon the delivery of the Refunding Bonds.

SECURITY FOR REFUNDING BONDS

The Refunding Bonds will constitute a limited indebtedness of the Corporation and will be payable as to both principal and interest solely from the income and revenues of the school Projects originally financed from the proceeds of the Refunded Bonds. The Refunding Bonds are secured by statutory mortgage liens upon and pledges of the revenues derived from the rental of the school Projects to the Board under a Lease Agreement dated as of February 20, 2013 (the "2013 Lease").

Title to the school Projects financed from the proceeds of the Refunded Bonds is vested in the Corporation securing the Refunding Bonds in accordance with the terms of the 2013 Lease.

The 2013 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 2013 Lease until June 1, 2024, the final maturity date of the Refunding Bonds, and such annual rentals shall be deposited as received in the 2013 Bond Fund for the Refunding Bonds and used and applied for the payment of all maturing principal of and interest on the Refunding Bonds.

Under the terms of the 2013 Bond Resolution and the 2013 Lease the statutory mortgage liens and pledges of rental revenues securing the Refunding Bonds which are created and granted pursuant to KRS 162.200 upon the school Project properties are and shall be restricted in their application to the exact locations of said school buildings and to such easements and rights of way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of said school buildings; the right being reserved to erect or construct upon any land not occupied by the school Projects other independently financed school buildings, free and clear of said statutory mortgage liens and revenue pledges, which other independently financed school buildings may or may not have a party wall with and adjoin said school buildings constituting the Projects, provided no part of the cost of said other independently financed school buildings is paid from the proceeds of the sale of the Refunding Bonds.

Under the terms of the 2013 Lease, and any renewal thereof, the Board has agreed so long as the Bonds remain outstanding, and in conformance with the intent and purpose of Section 157.627(5) of the Act and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the 2013 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 2013 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.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2014

The Kentucky General Assembly, after failing to adopt a budget during its Regular Session, was called into Extraordinary Session by the Governor of the Commonwealth. During such Extraordinary Session the General Assembly adopted a budget for the biennium ending June 30, 2014 which was approved and signed by the Governor. Such budget is effective beginning July 1, 2012.

GALLATIN COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION

The Corporation has been formed in accordance with the provisions of Section 162.120 through 162.300 and 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 facilities for and on behalf of the Board of Education of the Gallatin County School District (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.

The Board of Directors of the Corporation is made up of the incumbent members of the Board of Education.

THE REFUNDING PLAN

The Bonds are being issued for the purpose of providing funds to retire all of the outstanding Gallatin County (Kentucky) School District Finance Corporation School Building Revenue Bonds, Series of 2004, dated June 1, 2004 (the “Defeased Bonds").

Upon the delivery of the Refunding Bonds sufficient proceeds thereof shall be deposited in a special Escrow Fund and invested in U.S. Government Obligations in order to provide for (a) the payment of the accruing interest requirements of the Series 2004 Bonds due December 1, 2013 through June 1, 2014; (b) the payment of $29,000 principal amount of Series 2004 Bonds maturing June 1, 2014; and (c) $324,000 principal of the Series 2004 Bonds maturing June 1, 2015 and thereafter, without redemption premium, on June 1, 2014.

Estimated Sources and Uses of Funds

Sources of Funds

Series of 2013 Bonds
Local Participation
SFCC Participation
Total

Uses of Funds

Amount Deposited to Escrow
Underwriter’s Discount
Issuance Costs
Surplus
Total

DISPOSITION OF BOND PROCEEDS

Upon delivery of the Bonds, there shall first be paid all expenses incident to the authorization, sale and delivery of the Bonds.

Next, the accrued interest received, if any, shall be deposited into the "Gallatin County School District Finance Corporation School Building Refunding Revenue Bond and Interest Redemption Fund of November 27, 2013" (the "2013 Bond Fund") to be held therein for payment of interest on the Bonds at the next ensuing interest due date.

The entire remaining proceeds of the Bonds shall be deposited into "Gallatin County School District Finance Corporation Escrow Fund of 2013" (the "Escrow Fund") to be earmarked and held for credit to the account of the Prior Bond Fund.

CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Bond Resolution contains various covenants of the Corporation and provisions for the payment of the Bonds in accordance with their terms, certain of which are summarized below. Reference is made to the Bond Resolution for a full and complete statement of its provisions.

The Corporation has authorized the issuance of its Gallatin County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2013, in an aggregate amount of $385,000*. The Bonds are fully registered and in denominations in multiples of $5,000. The Bonds bear interest payable on December 1 and June 1 in each year, beginning December 1, 2014, at such interest rate or rates as a result of an advertised sale of Bonds and competitive bidding therefor. Said Bonds shall mature on the dates and in the amounts set forth on the cover page.

Paying Agent and Registrar

U. S. Bank National Association, Louisville, Kentucky, has been named Paying Agent and Bond Registrar. Interest and principal payments will be made by the Paying Agent by wire transfer to DTC on each due date. Please see "Book Entry" supra.

Funds Established by the Resolution

The Resolution establishes the following funds:

Gallatin County School District Finance Corporation School Building Refunding Revenue Bond and Interest Redemption Fund of November 27, 2013 (the "Bond Fund"). -- The Corporation covenants that all amounts received as rentals pursuant to the terms of the Contract, Lease and Option shall be deposited into the Bond Fund and held apart from all other funds for the payment of the principal of and interest on the Bonds as same become due. The required annual payments due from the Board shall be made in semi-annual installments on or before each May 15 and November 15, the first such payment to be made on or before May 15, 2014.

Moneys held in the Bond Fund shall be invested at the direction of the Corporation in (i) securities of the United States Government; (ii) obligations fully guaranteed by the United States, having a maturity date prior to the date when the sums invested will be needed for meeting interest and principal payments; or (iii) in certificates of time deposit maturing as and when required to pay principal and interest. Such certificates of time deposit shall be secured by a valid pledge of United States Government securities to the extent same exceed FDIC coverage. All income from the investment of the Bond Fund shall be deposited into said Bond Fund and may be used as a credit to any future deposit required to be made by the Board into said Bond Fund.

Gallatin County School District Finance Corporation School Building Escrow Fund of 2013 (the “Escrow Fund"). -- Proceeds of the Bonds, after payment of the costs of issuance and deposit of accrued interest received in the Bond Fund, shall be deposited into the Escrow Fund; provided, however, that prior to or simultaneously with the delivery of the Bonds, the Corporation shall obtain a commitment or commitments for the investment of such remaining proceeds only in direct Obligations of the United States Government or Obligations which are fully guaranteed by the United States Government or Certificates of Deposit of FDIC banks fully collateralized by said Obligations (the “Investments”) sufficient to accomplish the purposes intended, which Investments shall be scheduled to mature at such times and in such amounts as are necessary to pay the principal of, interest on, and redemption premium for the Refunded Bonds at or prior to their stated maturities by deposit in the Prior Bond Fund for said Refunded Bonds.

Contract, Lease and Option

The Board covenants to faithfully and punctually perform all duties required by the Lease including providing for the maintenance and insurance of the school properties.

The Corporation further agrees to collect such rents and charges for services rendered by the school Project property as will be sufficient to pay the principal of and interest on the Bonds when same become due.

Statutory Mortgage Liens Created

The Resolution recognizes the statutory mortgage liens upon the school Project property which are granted and created by Section 162.200 of the Kentucky Revised Statutes. Said liens are and shall be restricted in their applications to the facilities, the costs of financing of which are defrayed from the proceeds of the Bonds, together with appurtenances, equipment therein, that portion of the school sites physically occupied thereby, and such easements and rights-of-way for ingress, egress, and the rendering of services thereto as may be necessary for the proper use and maintenance of the same.

The right is reserved to erect or construct upon the school sites described in the Resolution other structures and improvements free and clear of said statutory mortgage liens, even though the same are connected by using as party walls one or more walls of structures which are subject to said mortgage liens, providing the same are capable of use as separate entities in themselves and have their own outside entrances and providing no part of the costs of said additional structures and improvements are paid from the proceeds of these Bonds.

Arbitrage Provisions

The Corporation shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Corporation on the Bonds shall, for the purpose of Federal income taxation, be excludable from the gross income of the recipients under any valid provision of law.

The Corporation shall not permit at any time any of the proceeds of the Bonds or other funds of the Corporation to be used to acquire any securities or obligations the acquisition of which would cause any such Bond to be an "arbitrage bond", as defined in the Internal Revenue Code of 1986, as amended (the "Code"), unless, under any valid provision of law hereafter enacted, the interest paid by the Corporation on the Bonds shall be excludable from the gross income of a recipient thereof for Federal income tax purposes without regard to compliance with the Code.

Resolution to Constitute a Contract

The provisions of the Resolution shall constitute a contract between the Corporation and the Registered Owners of any Bonds from time to time outstanding and, after the sale of such Bonds, no change in the provisions of the Resolution shall be permitted while any of said Bonds remain outstanding and unpaid, except as expressly authorized in the Resolution.

Other Covenants

The Corporation binds and obligates itself not to sell, mortgage, or in any manner dispose of the school Projects property, including any and all extensions and additions that may be made thereto, except as specifically permitted and provided by the Resolution until all of the Bonds shall have been paid in full.

CERTAIN PROVISIONS OF THE LEASE

The following summarizes certain provisions of the Lease pursuant to which the Corporation leases the school building property to the Board. Reference is made to the Lease for a full and complete statement of its provisions.

Lease to the Board

The Corporation agrees to lease the Project to the Board and the Board agrees to lease the Project from the Corporation from year to year commencing on November 27, 2013.

The initial term of the Lease shall expire on June 30, 2014; provided, however, that the Lease shall be automatically renewed from year to year for one-year terms unless terminated by the Board upon written notice to the Corporation ninety days before the end of the fiscal year.

Amount and Due Date of Rentals

The amount of the annual rentals to be paid by the Board shall be a sum equal to the interest which will be due on December 1, together with the Bonds principal and interest which will be due on June 1 during the rental year, plus the costs of operation, maintenance and insurance.

Conveyance upon Retirement of Bonds

It is agreed that if the Board shall pay rentals from year to year until the first day of June, 2024, then upon completion of such payments the leased premises shall be and become the property of the Board.

Options to Purchase

It is hereby further agreed that the Board may purchase the Project and thereby terminate the Lease on any date by the payment of a sum sufficient to accomplish the retirement or defeasance of the outstanding Bonds issued by the Corporation.

Maintenance and Insurance

The Board agrees that so long as the Board continues to lease the school Project it will, at its own expense, maintain the Project in good state of repair and will procure and pay the cost of insurance on all buildings located thereon against loss by fire, lightning, and windstorm in an amount equal to the full insurable value of the Project or the face amount of the Bonds outstanding, whichever is greater.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

According to a report furnished by the Kentucky Department of Education, under the terms of the Kentucky Revised Statutes and the regulations of the Kentucky Board of Education (the "State Board"), the State Board, by itself and through its executive officer, the Commissioner of Education (the "Commissioner"), supervises the general operations of the local boards of education and school building revenue bond financing for school purposes. The Commissioner examines and advises on the expenditures, business methods and accounts of all local boards of education, including the Board. The Commissioner is responsible for assuring that all financial and educational accounts are accurately and neatly kept, and that all reports are made according to the forms adopted by the State Board. Each school district supported in whole or in part from taxation is required to make a report to the State Board at the close of each scholastic year, showing in detail all funds received from the Commonwealth and from all other sources during the year, and a detailed statement of all expenditures for the year.

Each local board of education must prepare and submit to the Commissioner an annual budget showing the amount needed for current expenses, capital outlay, debt service and lease rental payments for the ensuing year, the estimated amount to be received from other sources, and the amount needed to be raised from local taxation, including the assessed valuation and tax rate for property subject to taxation by the school district. If the budget is disapproved, it must be amended and resubmitted. No budget is effective until approved by the Commissioner.

Each local school board must prepare and submit to the State Board, not later than January 15 of each year, a close estimate of its working budget which must conform to the rules and regulations prescribed by the State Board, and which must be consistent in its major divisions with the general school budget previously prepared.

A local superintendent may not recommend and a local school board member may not vote for an expenditure in excess of the income and revenue of any year as shown by the budget approved by the Commissioner, except for a purpose for which bonds have been voted, or in case of an emergency declared by the State Board.

All local boards of education who have entered into contracts with respect to the issuance of revenue bonds must arrange for insurance protection in an amount equal to the amount of bonds outstanding against the particular building or buildings, or to the full insurable value of such building or buildings, whichever is greater, and must report annually to the Superintendent, on forms provided by the Department of Education, the amount of insurance coverage provided for each building which has been mortgaged for the security of outstanding revenue bonds.

The State Department of Education must approve a bond issue and its related financial, educational and construction plans prior to issuance and such approval will be obtained prior to the sale of this issue.

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 an 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"), and appointee of the reconstituted Kentucky Board of 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 of the SEEK allotment 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 $0.30 for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes 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 157.440(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 ("House Bill 44") 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 $0.05 per $100 of the total assessed value of all property in the district (including tangible and intangible property and motor vehicles). A district having a special voted tax which is equal to or higher than the required $0.05 tax, must commit and segregate for capital purposes at least an amount equal to the required $0.05 tax. Those districts which levy the additional $0.05 tax are also eligible for participation in the Facilities Support Program of Kentucky ("FSPK") 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.

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 100% of fair cash value.

CONTINUING DISCLOSURE

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 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. A draft of said agreement is attached hereto as Appendix D.

Although the Board is currently up-to-date in all required continuing disclosure filings, it has in the past been late in making such filings in a timely manner. The Board has adopted new procedures to assure timely and complete filings in the future in order to provide required financial reports or notices of material events.

Financial information regarding the Board may be obtained from Superintendent, Gallatin County Board of Education, 75 Boardwalk, Warsaw, Kentucky 41095, Telephone 859-567-1820.

TAX EXEMPTION; BANK QUALIFIED

With regard to the Internal Revenue Code of 1986, as amended, Bond Counsel advises as follows:

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

(B) The interest income from the Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes under existing law; provided, that the corporate entities noted below are advised of certain tax consequences as follows:

1) In the computation of the corporate minimum tax, earnings and profits may include otherwise tax-exempt interest on the Bonds; this provision applies to corporations only.

2) Property and casualty insurance companies may be denied certain loss reserve deductions to the extent of otherwise tax-exempt interest on the Bonds.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of "qualified tax-exempt obligations" during the calendar year ending December 31, 2013, the Bonds may be treated by financial institutions as if they were acquired before August 8, 1986.

(D) The interest income from the Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes under existing law for individuals; however, said income must be included in the calculation of "modified adjusted gross income" in the determination of whether and to what extent Social Security benefits are subject to Federal income taxation.

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 Refunding Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Refunding 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. Prospective purchasers of the Refunding 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 Refunding Bonds for audit examination, or the course or result of any IRS examination of the Refunding Bonds or obligations which present similar tax issues, will not affect the market price for the Refunding Bonds.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Steptoe & Johnson PLLC, Louisville, Kentucky, Bond Counsel to the Corporation. The approving legal opinion of Bond Counsel will be printed on the Bonds and will contain a statement of tax exemption as represented herein. Bond Counsel has reviewed the information herein pertaining to the Bonds under the headings "Description of The Bonds", "Adoption of State Budget", "Certain Provisions of the Bond Resolution", "Certain Provisions of the Lease", "State Support of Education", "Continuing Disclosure" and "Tax Exemption; Bank Qualified", and has no reason to believe that such information does not represent a fair summary of the principal provisions of the instruments and information therein described. Bond Counsel has not otherwise participated in the preparation of the Official Statement and has not verified the accuracy or completeness of the information contained under the headings "The Refunding Plan", "Kentucky Department of Education Supervision", nor of any financial information, enrollment figures, projections, or computations related thereto, and therefore can make no representation with respect to such information.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened 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 Corporation taken with respect to the issuance or sale thereof.

FINANCIAL ADVISOR

The Bonds will be sold by the solicitation and receipt of competitive bids. First Kentucky Securities Corporation will receive a fee, subject to sale and delivery of the Bonds, for its advisory services.

RATING

Moody’s Investors Service has given the Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the opinion of such organization. There can be no assurance that such rating will be maintained for any given period of time or that it will not be revised or withdrawn entirely. Any downward revision or withdrawal of such rating may have a material adverse effect on the market price of the Bonds.

All quotations from, and summaries and explanations of, the Kentucky Revised Statutes, the Bond Resolution, and the Lease contained herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the Bond Resolution, and the Lease may be obtained from First Kentucky Securities Corporation, P. O. Box 554, Frankfort, Kentucky 40602-0554.

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.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the purchasers or holder of any of the Bonds.

GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION

/s/ David Morris
President

APPENDIX A

Average Daily Attendance
Property Subject to Taxation
History of Assessment Rates
General Fund
Capital Outlay Fund
Utilities Gross Receipts Tax for Schools
Funds Available for Debt Service
Outstanding School Building Revenue Bonds

BOARD OF EDUCATION
GALLATIN COUNTY SCHOOL DISTRICT

The Gallatin County School District includes the entire County. Because the Board is fully obligated, so long as the Lease remains in effect to pay rental payments equal to the principal of and interest on the total amount of Bonds outstanding, the information on the following pages is submitted as officially reported by the Board or by the Kentucky Department of Education, unless otherwise noted.

Enrollment

School Year	Average Daily Attendance
2013	1,509.70
2012	1,441.54
2011	1,447.91
2010	1,426.49
2009	1,416.49
2008	1,425.40

Assessment of Property for School Tax

School Year	Total Assessment
2012-2013	$558,329,504
2011-2012	564,206,046
2010-2011	537,082,288
2009-2010	517,713,195
2008-2009	532,043,274
2007-2008	495,492,827

History of Assessment Rates

School Year	Real Estate Tax Rate	Tangible Tax Rate	Motor Vehicle Tax Rate	Utility Tax Rate
2012-2013	67.5¢	67.5¢	55.7¢	3%
2011-2012	66.6¢	66.6¢	55.7¢	3%
2010-2011	66.4¢	66.4¢	55.7¢	3%
2009-2010	63.9¢	63.9¢	55.7¢	3%
2008-2009	60.0¢	60.0¢	55.7¢	3%

GALLATIN COUNTY SCHOOL DISTRICT
Comparative Statement of Receipts and Disbursements
GENERAL FUND

Fiscal Years Ending June 30

	2013	2012	2011	2010	2009	2008
Beginning Cash Balance	$2,006,679	$1,663,354	$1,405,006	$ 1,068,703	$1,604,484	$1,456,006
Adjustments in Beginning Balance	(20,295)	0	0	0	0	0
Adjusted Beginning Balance	$1,986,384	$1,663,354	$1,405,006	$ 1,068,703	$1,604,484	$1,456,006
RECEIPTS:						
Revenue from Local Sources	3,990,403	4,411,252	4,022,099	3,760,329	3,459,175	3,573,630
Revenue from State Sources	8,791,663	8,435,884	7,968,921	7,843,102	8,314,666	8,116,004
Other	107,695	114,344	194,268	4,696	65,191	178,484
Total Receipts	12,889,761	12,961,480	12,185,288	11,608,127	11,839,032	11,868,118
Total Funds Available	14,876,145	14,624,834	13,590,294	12,676,830	13,443,516	13,324,124
DISBURSEMENTS:						
Instruction	6,708,870	6,480,933	5,911,169	5,708,539	6,487,830	6,220,270
Student Support Services	674,662	653,614	657,890	637,367	603,750	570,280
Instruction Staff Support	516,965	497,417	526,098	530,592	530,249	449,504
District Administrative Support	587,054	575,887	581,345	528,928	517,306	521,877
School Administrative Support	971,822	960,713	891,623	858,413	885,512	795,452
Business Support Services	689,458	612,857	562,741	505,142	529,669	484,781
Plant Operation & Maintenance	1,271,416	1,256,013	1,327,663	1,234,964	1,335,136	1,263,913
Student Transportation	1,119,287	1,135,272	1,075,212	1,064,410	985,230	1,048,315
Other Instructional (Network)	60,987	61,023	0	0	0	0
Food Service Operation	0	0	0	9,015	0	0
Facilities Acquisition & Constr	0	233,892	268,359	38,708	371,308	239,674
Debt Services	122,523	126,236	124,840	122,467	128,823	125,574
Transfers	34,869	24,298	0	33,279	0	0
Total Disbursements	12,757,913	12,618,155	11,926,940	11,271,824	12,374,813	11,719,640
Ending Cash Balance	$2,118,232	$ 2,006,679	$ 1,663,354	$1,405,006	$ 1,068,703	$ 1,604,484

Source: Amounts for fiscal year 2013 have been taken from an unaudited financial report. Amounts for fiscal years 2012-2008 have been taken from audit reports prepared by Raisor, Zapp & Woods, P.S.C., Certified Public Accountants, Carrollton, Kentucky.

CAPITAL OUTLAY FUND

Fiscal Years Ending June 30

	2013	**2012**	**2011**	**2010**	**2009**	**2008**
Cash Balance, July 1	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
RECEIPTS:						
Capital Outlay Allotment	150,970	144,154	144,791	142,649	141,649	142,540
Total Receipts and Balance	150,970	144,154	144,791	142,649	141,649	142,540
DISBURSEMENTS:						
Transfer to Debt Service	150,970	144,154	144,791	142,649	141,649	142,540
Total Disbursements	150,970	144,154	144,791	142,649	141,649	142,504
Cash Balance, June 30	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Source: Amounts for fiscal year 2013 have been taken from an unaudited financial report. Amounts for fiscal years 2012-2008 have been taken from audit reports prepared by Raisor, Zapp & Woods, P.S.C., Certified Public Accountants, Carrollton, Kentucky.

Utilities Gross Receipts Tax For Schools

Under the provisions of KRS 160.613, 160.615, and 160.617, the Gallatin County Board of Education levies a three percent Utility Gross Receipts License Tax for Schools. Receipts from the tax are as follows:

2013	**2012**	**2011**	**2010**	**2009**	**2008**
$995,717	$1,342,391	$1,287,234	$1,131,925	$1,027,779	$1,163,584

Funds Available for Debt Service

Beginning with fiscal year 1990-91, capital expenditures in school districts are provided by the segregation of $100 per ADA pupil from the SEEK funds allotment to each district. Expenditures from the Capital Outlay Allotment Fund may be used, up to a maximum of eighty percent (80%) of the annual allotment, 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).

In addition to the Capital Outlay Allotment Fund as described above, each district is required to levy a tax which will produce revenues equivalent to five cents ($0.05) per $100 of assessed value of all property in the district in order to be eligible for participation from the Kentucky School Facilities Construction Commission. Tax receipts MUST be used for purposes enumerated in (1) through (5) above.

Those districts which levy the additional $0.05 tax are also eligible to receive funds from the Facilities Support Program of Kentucky (the "FSPK"). These funds are appropriated separately from the 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. FSPK funds MAY be used for purposes enumerated in (1) through (5) above.

The funds available for Capital Outlay purposes, as described above, are not directly pledged for payment of principal and interest on outstanding school building revenue bonds, but as a practical matter and to the extent needed, have been and will continue to be applied to debt service through rental payments on Lease obligations.

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Outstanding School Building Revenue Bonds

Local Participation:

Date of Issue	Final Maturity	Original Amount Issued	Bonds Outstanding as of November 27, 2013
July 1, 2003	12/1/2015	$ 2,570,896	$ 903,871
June 1, 2004 **(1)**	6/1/2024	35,436	16,852
May 1, 2006	5/1/2026	8,580,486	7,028,087
April 8, 2008	12/1/2017	878,550	660,034
September 30, 2008	8/1/2019	686,929	660,254
May 4, 2010	5/1/2030	6,704,048	6,171,443
September 16, 2010	10/1/2021	3,010,000	2,675,000
December 19, 2012	12/1/2032	3,600,829	3,600,314
Subtotal		$26,067,174	$21,715,855

SFCC Participation (2):

Date of Issue	Final Maturity	Original Amount Issued	Bonds Outstanding as of November 27, 2013
July 1, 2003	12/1/2013	$ 159,104	$ 16,129
June 1, 2004 **(1)**	6/1/2024	520,564	336,148
May 1, 2006	5/1/2026	8079,514	5,951,913
April 8, 2008	12/1/2017	361,450	178,779
September 30, 2008	8/1/2019	1,068,071	604,966
May 4, 2010	5/1/2030	445,952	398,557
December 19, 2012	12/1/2032	439,171	439,171
Subtotal		$11,073,826	$7,925,663
Total		$37,141,000	$29,641,518

(1) These Bonds will be retired by the Series 2013 Bonds.
(2) These Bonds are payable by the Kentucky School Facilities Construction Commission.

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APPENDIX B

Gallatin County, Kentucky
General Information

General Information

Gallatin County, located in north-central Kentucky, has a land area of 99 square miles. The Ohio River forms the entire northern boundary of the county.

Warsaw, the county seat of Gallatin County, is located 39 miles southwest of Cincinnati, Ohio; 66 miles northeast of Louisville, Kentucky; and 80 miles northwest of Lexington, Kentucky.

Total Population

	2008	2009	2010	2011	2012
Labor Market Area	1,401,528	1,408,324	1,360,423	1,362,868	1,367,176
Gallatin County	8,101	8,202	8,587	8,547	8,479
Warsaw	1,794	1,805	1,680	1,673	1,661
Glencoe	379	384	358	356	353

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

Population by Selected Age Groups, 2012

	Gallatin County		Labor Market Area	
	Number	Percent	Number	Percent
Under 16	1,995	23.5	292,337	21.4
16-24	976	11.5	167,406	12.2
25-44	2,087	24.6	357,616	26.2
45-64	2,403	28.3	371,264	27.2
65-84	951	11.2	161,452	11.8
85 and older	67	0.8	17,101	1.3
Median Age	N/A		N/A	

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

Population by Race and Hispanic Origin, 2012

	Gallatin County		Labor Market Area	
	Number	Percent	Number	Percent
White	8,156	96.2	1,085,919	79.4
Black	122	1.4	225,950	16.5
Am. Indian & Alaska Native	17	0.2	3,556	0.3
Asian	26	0.3	24,659	1.8
Native Hawaiian & other Pacific Islander	6	0.1	1,207	0.1
Other/Multirace	152	1.8	25,885	1.9
Hispanic Origin	409	4.8	38,597	2.8

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

Population Projections

	2015	2020	2025	2030
Gallatin County	8,513	8,811	9,069	9,330

Source: Kentucky State Data Center, University of Louisville.

Personal Income

	2006	2011	Pct. Change
Gallatin County	$23,586	$26,547	12.6 %
Kentucky	$30,034	$33,989	13.2 %
U.S.	$37,725	$41,560	10.2 %
Labor Market Area Range	$20,143- $44,569	$23,461- $46,881	

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Households

	2007-2011		2011
	Number of Households	Persons Per Household	Median Household Income
Gallatin County	2,988	2.81	$41,084

Source: U.S. Department of Commerce, Bureau of the Census. (Median Household Income)

Bureau of the Census, American Community Survey 5-year estimate (Number of Households, Persons Per Household).

Summary of Recent Locations and Expansions, 2010-Present

		Reported	
	Companies	Jobs	Investment
Manufacturing Location	2	41-109	$6,702,340
Manufacturing Expansion	0	0	$0
Supportive/Service Location	0	0	$0
Supportive/Service Expansion	2	160	$15,826,942

Click here for detailed location and expansion information.

Note: Totals include announced locations and expansions.

Source: Kentucky Cabinet for Economic Development (July 24, 2013).

Employment by Major Industry by Place of Work, 2011

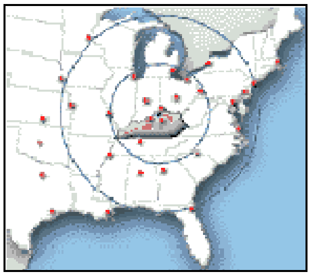
	Gallatin County		Labor Market Area	
	Employment	Percent	Employment	Percent
All Industries	2,289	100.0	692,364	100.0
Agriculture, Forestry, Fishing and Hunting	N/A	N/A	N/A	N/A
Mining	0	0.0	N/A	N/A
Construction	39	1.7	24,505	3.5
Manufacturing	0	0.0	71,631	10.3
Trade, Transportation, and Utilities	272	11.9	130,553	18.8
Information	0	0.0	10,174	1.5
Financial Activities	20	0.9	41,860	6.0
Services	120	5.2	351,826	50.6
Public Administration	107	4.7	26,488	3.8
Other	0	0.0	N/A	N/A

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Major Business & Industry (Manufacturing & Supportive Service Firms Only)

Firm	Product(s) / Service(s)	Emp.	Year Established
Warsaw			
Core Molding Technologies Inc	Leading molder of fiberglass reinforced plastics	34	2012
Dorman Products	Packaging, warehousing, and distribution of automotive and home hardware products	315	1918
Gallatin County News Inc	Newspaper publishing & typesetting	3	1880

Source: Kentucky Cabinet for Economic Development (11/8/2012).



Business Cost

	Kentucky Index, 2009 (U.S. = 100)
Labor Cost	94
Energy Cost	74
Overall Business Cost	89

Kentucky has the 13th lowest overall business cost in the nation.

	Gross Domestic Product Per Wage, 2012
Kentucky	$2.24
U.S.	$2.27

	Industrial Electric Cost Per KWH, 2011
Kentucky	$0.0533
U.S.	$0.0682

Kentucky has the 4th lowest cost for industrial electrical power amongst the 50 states.

Gallatin County Statistical Summary

	Population 2012
Gallatin County	8,479
Labor Market Area	1,367,176

	Gallatin County
Per Capita Income 2011	$26,547
Median Household Income 2011	$41,084
Median Home Price 2011	$108,040

	Total Available Labor 2011
Gallatin County	438
Labor Market Area	61,005

	Unemployment Rate 2012
Gallatin County	8.5%
Labor Market Area	7.2%
U.S.	8.1%

	Average Weekly Wage 2011
Gallatin County	$741
Labor Market Area	$932
U.S.	$924

APPENDIX C

Estimated District and SFCC Debt Service Requirements on Series of 2013 Bonds
Estimated Total Annual District Debt Service Requirements

GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES OF 2013

ESTIMATED DISTRICT AND SFCC DEBT SERVICE REQUIREMENTS

	District Participation			SFCC Participation			Total		
Date	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
06/01/2014	$3,777	38.83	3,815.83	$36,223	3,530.64	39,753.64	$40,000	3,569.47	43,569.47
12/01/2014	-	22.88	22.88	-	3,309.00	3,309.00	-	3,331.88	3,331.88
06/01/2015	2,022	22.88	2,044.88	32,978	3,309.00	36,287.00	35,000	3,331.88	38,331.88
12/01/2015	-	14.79	14.79	-	3,177.09	3,177.09	-	3,191.88	3,191.88
06/01/2016	1,759	14.79	1,773.79	33,241	3,177.09	36,418.09	35,000	3,191.88	38,191.88
12/01/2016	-	7.76	7.76	-	3,044.12	3,044.12	-	3,051.88	3,051.88
06/01/2017	0	7.76	7.76	30,000	3,044.12	33,044.12	30,000	3,051.88	33,051.88
12/01/2017	-	7.76	7.76	-	2,796.62	2,796.62	-	2,804.38	2,804.38
06/01/2018	940	7.76	947.76	34,060	2,796.62	36,856.62	35,000	2,804.38	37,804.38
12/01/2018	-	0.00	0.00	-	2,515.63	2,515.63	-	2,515.63	2,515.63
06/01/2019	0	0.00	0.00	35,000	2,515.63	37,515.63	35,000	2,515.63	37,515.63
12/01/2019		0.00	0.00	-	2,226.88	2,226.88	-	2,226.88	2,226.88
06/01/2020	0	0.00	0.00	35,000	2,226.88	37,226.88	35,000	2,226.88	37,226.88
12/01/2020	-	0.00	0.00	-	1,811.25	1,811.25	-	1,811.25	1,811.25
06/01/2021	0	0.00	0.00	35,000	1,811.25	36,811.25	35,000	1,811.25	36,811.25
12/01/2021	-	0.00	0.00	-	1,395.63	1,395.63	-	1,395.63	1,395.63
06/01/2022	0	0.00	0.00	35,000	1,395.63	36,395.63	35,000	1,395.63	36,395.63
12/01/2022	-	0.00	0.00	-	980.00	980.00	-	980.00	980.00
06/01/2023	0	0.00	0.00	35,000	980.00	35,980.00	35,000	980.00	35,980.00
12/01/2023	-	0.00	0.00	-	490.00	490.00	-	490.00	490.00
06/01/2024	0	0.00	0.00	35,000	490.00	35,490.00	35,000	490.00	35,490.00
Total	$8,498	$145.21	$8,643.21	$376,502	$47,023.08	$423,525.08	$385,000	$47,168.29	$432,168.29

Source: Fiscal Agent

GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS
SERIES 2013

Estimated Total Annual District Debt Service Requirements

FY 6/30	Existing Debt Service (1)	Series of 2013 Bonds Principal	Interest	Total P&I	Total
2014	$1,812,395	$3,777	$39	$3,816	$1,816,211
2015	1,811,354	2,022	46	2,068	1,813,422
2016	1,807,520	1,759	30	1,789	1,809,309
2017	1,807,888	0	15	15	1,807,903
2018	1,803,859	940	15	955	1,804,814
2019	1,798,951				1,798,951
2020	1,795,757				1,795,757
2021	1,792,351				1,792,351
2022	2,439,785				2,439,785
2023	1,787,502				1,787,502
2024	1,781,010				1,781,010
2025	1,780,472				1,780,472
2026	1,543,398				1,543,398
2027	1,148,452				1,148,452
2028	1,134,736				1,134,736
2029	1,117,672				1,117,672
2030	1,097,272				1,097,272
2031	800,253				800,253
2032	809,999				809,999
2033	812,435				812,435
Total	$29,870,626	$8,498	$145	$8,643	$30,691,704

(1) Existing debt service reflects gross debt service from the Series 2010 BABS bond sale, but does not include the debt service requirements on the portion of the Prior Bonds which will be refunded by the Series of 2013 Bonds.

Source: Fiscal Agent

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$385,000
Gallatin County School District Finance Corporation
School Building Refunding Revenue Bonds, Series of 2013
Dated November 27, 2013

SALE: November 12, 2013 AT 11:00 A.M., E.S.T.

The Gallatin County School District Finance Corporation (the "Corporation") will until 11:00 A.M., E.S.T., on November 12, 2013 receive at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 229 West Main Street, Suite 102, Frankfort, Kentucky 40601, competitive bids for the purchase of $385,000 principal amount of Gallatin County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2013 (the "Refunding Bonds"), dated and bearing interest from November 27, 2013, payable on June 1, 2014, and semi-annually thereafter on June 1 and December 1 of each year, in denominations in multiples of $5,000 within the same maturity, maturing on June 1 in each of the years as follows:

MATURITY	PRINCIPAL AMOUNT*	MATURITY	PRINCIPAL AMOUNT*
2014	$40,000	2020	$35,000
2015	35,000	2021	35,000
2016	35,000	2022	35,000
2017	30,000	2023	35,000
2018	35,000	2024	35,000
2019	35,000		

*Subject to the permitted adjustment increasing or decreasing the principal amount of Refunding Bonds to be sold.

REDEMPTION PROVISIONS; BOND REGISTRAR/PAYING AGENT

The Bonds are NOT subject to redemption at the option of the Corporation prior to their stated maturities.

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 Refunding Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to each Registered Owner of record as of the 15th day of the month preceding the due date which shall be Cede & Co., as the Nominee of The Depository Trust Company ("DTC"). Please see "Book-Entry-Only-System" below.

GALLATIN 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 Gallatin County School District (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.

AUTHORITY AND PURPOSE

The Refunding Bonds are being issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including KRS Sections 162.120 through 162.300, 162.385, and Section 58.180, within the meaning of the decision of the Court of Appeals of Kentucky (Supreme Court) in the case of Hemlepp v. Aronberg, 369 S.W.2d 121, for the purpose of providing funds to retire all of the outstanding Gallatin County School District Finance Corporation School Building Revenue Bonds, Series of 2004, dated June 1, 2004 (the "Series 2004 Bonds") maturing June 1, 2014 and thereafter (the "Defeased Bonds").

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.

The Commission will enter into an Adjusted Participation Agreement with the Board whereunder the Commission will agree to continue to pay annually approximately 98% of the annual debt service requirements for the Refunding Bonds through June 1, 2024. 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 budget period terminating on June 30, 2014.

The Extraordinary Session of the General Assembly of the Commonwealth adopted the State's Budget for the biennium ending June 30, 2014. *Inter alia*, the Budget provides $99,040,000 in FY 2012-13 and $106,264,000 in FY 2013-14 to pay debt service on existing and future bond issues; $100,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes $100,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2016.

PROCEEDS TO RETIRE ALL BONDS OF PRIOR ISSUE

The Refunded Bonds were issued by the Corporation under the authority of KRS Sections 162.120 through 162.300 and 162.385 for the purpose of providing funds for financing improvements to Gallatin County High School and adjoining athletic field (the "Project") for the Board. Under the terms of the Bond Resolutions authorizing the Refunded Bonds, those Bonds are payable from the income and revenues of the Project financed from the proceeds thereof.

The aggregate total principal amount of the Prior Issue outstanding as of November 27, 2013 is $353,000, scheduled to mature on June 1 in each of the years 2014 through 2024.

Upon the delivery of the Refunding Bonds sufficient proceeds thereof shall be deposited in a special Escrow Fund and invested in U.S. Government Obligations in order to provide for (a) the payment of the accruing interest requirements of the Series 2004 Bonds due December 1, 2013 and June 1, 2014; (b) the payment of $29,000 principal amount of Series 2004 Bonds maturing June 1, 2014; (c) the prior redemption of $324,000 principal amount of the Series 2004 Bonds maturing June 1, 2015 and thereafter, without redemption premium, on June 1, 2014.

The 2013 Bond Resolution expressly provides that upon delivery of the Refunding Bonds and the deposit of sufficient funds in accordance with the preceding paragraph the statutory mortgage lien upon and the pledge of the revenues from the rental of the Project under the Prior Lease from the Corporation to the Board shall terminate as the security and source of payment for the Refunded Bonds and the Registered Owners of the Refunded Bonds shall be paid from and secured by the monies deposited in the Prior Bond Fund or Escrow Fund for the retirement thereof upon the delivery of the Refunding Bonds.

SECURITY FOR REFUNDING BONDS

The Refunding Bonds will constitute a limited indebtedness of the Corporation and will be payable as to both principal and interest solely from the income and revenues of the school Project originally financed from the proceeds of the Refunded Bonds. The Refunding Bonds are secured by a statutory mortgage lien upon and a pledge of the revenues derived from the rental of the school Project to the Board under a Lease Agreement dated as of November 27, 2013 (the "2013 Lease").

Title to the school Project financed from the proceeds of the Refunded Bonds is vested in the Corporation securing the Refunding Bonds in accordance with the terms of the 2013 Lease.

The 2013 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 2013 Lease until June 1, 2024, the final maturity date of the Refunding Bonds, and such annual rentals shall be deposited as received in the 2013 Bond Fund for the Refunding Bonds and used and applied for the payment of all maturing principal of and interest on the Refunding Bonds.

Under the terms of the 2013 Bond Resolution and the 2013 Lease the statutory mortgage lien and pledge of rental revenues securing the Refunding Bonds which are created and granted pursuant to KRS 162.200 upon the school Project property are and shall be restricted in their application to the exact locations of said school buildings and to such easements and rights of way for ingress, egress and the rendering of services thereto as may be necessary for the proper use and maintenance of said school buildings; the right being reserved to erect or construct upon any land not occupied by the school Project other independently financed school buildings, free and clear of said statutory mortgage lien and revenue pledge, which other independently financed school buildings may or may not have a party wall with and adjoin said school buildings constituting the Project, provided no part of the cost of said other independently financed school buildings is paid from the proceeds of the sale of the Refunding Bonds.

Under the terms of the 2013 Lease, and any renewal thereof, the Board has agreed so long as the Bonds remain outstanding, and in conformance with the intent and purpose of Section 157.627(5) of the Act and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the 2013 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 2013 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.

BIDDING CONDITIONS AND RESTRICTIONS

(A)The terms and conditions of the sale of the Refunding Bonds are as follows:

(1) Bids must be made on Official Bid Form, contained in Information for Bidders available from the undersigned or First Kentucky Securities Corporation, Frankfort, Kentucky, or by visiting www.firstky.com submitted manually, by facsimile or electronically via PARITY®.

(2) 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.

(3**)** The minimum bid shall be not less than $381,150 (99% 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.

(4) The determination of the best purchase bid for said Refunding Bonds shall be made on the basis of all bids submitted for exactly $385,000 principal amount of Refunding Bonds offered for sale under the terms and conditions herein specified; provided, however, the Corporation reserves the right to increase or decrease the total principal amount of Refunding Bonds sold to such best bidder, in the amount of not exceeding $40,000, with such increase or decrease to be made in any maturity, and the total amount of Refunding Bonds awarded to such best bidder will be a minimum of $345,000 or a maximum of $425,000. In the event of any such adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price at which such adjusted principal amount of Bonds will be sold will be at the same price per $5,000 of Refunding Bonds as the price per $5,000 for the $385,000 of Refunding Bonds bid.

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

(6) The successful purchaser shall be required (without further advice from the Corporation) to wire transfer an amount equal to 2% of the principal amount of Refunding Bonds actually awarded to the Paying Agent Bank, U.S. Bank National Association, Louisville, Kentucky, Attn: Mr. Chuck Lush (Phone: 502-562-6436) by the close of business on the day following the award as a good faith deposit said amount will be applied (without interest) to the purchase price upon delivery and will be forfeited if the purchaser fails to take delivery.

(7) All Refunding Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.

(8) The right to reject bids for any reason deemed acceptable by the Corporation, and the right to waive any possible informalities or irregularities in any bid, which in the sole judgment of the Corporation shall be minor or immaterial, is expressly reserved.

(9) CUSIP identification numbers will be printed on the Refunding Bonds at the expense of the Corporation. The purchaser shall pay the CUSIP Service Bureau assignment 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 Refunding Bonds in accordance with the terms of any accepted proposal for the purchase of said Bonds.

(B) The Bonds will be delivered utilizing the DTC Book-Entry-Only-System.

(C) Said Bonds are offered for sale on the basis of the principal of said Bonds not being subject to Kentucky ad valorem taxation and on the basis of the interest on said Bonds not being subject to Federal or Kentucky income taxation on the date of their delivery to the successful bidder. See TAX EXEMPTION below.

(D) The Corporation shall 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

(E) If, prior to the delivery of the Bonds, any event should occur which alters the tax exempt status of the Bonds, or of the interest thereon, the purchaser shall have the privilege of avoiding the purchase contract by giving immediate written notice to the Corporation, whereupon the good faith check of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

(F) 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 ($3,866) 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 properties, 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 100% of fair cash value.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2014

The Kentucky General Assembly, after failing to adopt a budget during its Regular Session, was called into Extraordinary Session by the Governor of the Commonwealth. During such Extraordinary Session the General Assembly adopted a budget for the biennium ending June 30, 2014 which was approved and signed by the Governor. Such budget is effective beginning July 1, 2012.

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 Refunding Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Refunding 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. Prospective purchasers of the Refunding 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 Refunding Bonds for audit examination, or the course or result of any IRS examination of the Refunding Bonds or obligations which present similar tax issues, will not affect the market price for the Refunding Bonds.

CONTINUING DISCLOSURE

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

Financial information regarding the Board may be obtained from Superintendent, Board of Education of the Gallatin County School District, 75 Boardwalk, Warsaw, Kentucky 41095, Telephone: (859) 567-1820.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that the Refunding Bonds are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended, and therefore advises as follows:

(A) The Refunding 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 Refunding Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law; provided, that the corporate entities noted below are advised of certain tax consequences as follows:

(1) In the computation of the corporate minimum tax, earnings and profits may include otherwise tax-exempt interest on the Refunding Bonds; this provision applies to corporations only.

(2) Property and casualty insurance companies may be denied certain loss reserve deductions to the extent of otherwise tax-exempt interest on the Refunding Bonds.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2013, the Refunding Bonds may be treated by financial institutions as “qualified tax-exempt” obligations under Section 265(b)(3) of the Code.

(D) The interest income from the Refunding Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law for individuals; however, said income must be included in the calculation of "modified adjusted gross income" in the determination of whether and to what extent Social Security benefits are subject to Federal income taxation.

BOOK-ENTRY-ONLY SYSTEM

The Refunding 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.

GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION

By s/ Dorothy Perkins
Secretary

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Gallatin County School District Finance Corporation ("Corporation"), will until 11:00 A.M., E.S.T., on November 12, 2013, receive in the office of Mrs. Kristi Culpepper, Executive Director of the Kentucky Schools Facilities Construction Commission, Suite 102, 229 W. Main Street, Frankfort, Kentucky 40601, (telephone 502-564-5582; Fax 888-979-6152) competitive bids for its $385,000 School Building Refunding Revenue Bonds, Series of 2013, dated November 27, 2013; maturing June 1, 2014 through 2024 ("Bonds").

We hereby bid for said $385,000* principal amount of Bonds, the total sum of $_______________ (not less than $381,150) plus accrued interest from November 27, 2013 payable June 1, 2014 and semiannually thereafter (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited;) and maturing as to principal on June 1 in each of the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2014	$40,000	________%	2020	$35,000	________%
2015	35,000	________%	2021	35,000	________%
2016	35,000	________%	2022	35,000	________%
2017	30,000	________%	2023	35,000	________%
2018	35,000	________%	2024	35,000	________%
2019	35,000	________%			

*subject to a permitted adjustment

We understand this bid may be accepted for as much as $425,000 of Bonds or as little as $345,000 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 by the Secretary of the Corporation at the time of acceptance of the best bid.

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.

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

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 Opinions of Steptoe & Johnson PLLC, Bond and Special Tax 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 Refunding 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 National Association, Louisville, Kentucky, Attn: Mr. Chuck Lush (Phone: 502-562-6436).

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 November 27, 2013 and upon acceptance by the Issuer's Financial Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

____
Bidder

By _________________________________
Authorized Officer

____
Address

Total interest cost from November 27, 2013 to final maturity $_______________

Plus discount or less any premium $_______________

Net interest cost (Total interest cost plus discount or less any premium) $_______________

Average interest rate or cost (ie NIC) __________________%

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 First Kentucky Securities Corporation as Agent for the Gallatin County School District Finance Corporation for $__________________ amount of Bonds at a price of $_______________ as follows:

Year	Amount	Rate	Year	Amount	Rate
2014	_______,000	________%	2020	_______,000	________%
2015	_______,000	________%	2021	_______,000	________%
2016	_______,000	________%	2022	_______,000	________%
2017	_______,000	________%	2023	_______,000	________%
2018	_______,000	________%	2024	_______,000	________%
2019	_______,000	________%			

Dated: November 12, 2013

____
First Kentucky Securities Corporation, Financial Advisor and Agent for Gallatin County School District Finance Corporation