PRELIMINARY OFFICIAL STATEMENT
Dated May 1, 2001
(Bonds to be sold May 10, 2001, 11:00 a.m. E.D.S.T.)

BANK INTEREST DEDUCTION ELIGIBLE **Moody's Rating: " "**
(See "Rating" Herein)

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".

$1,390,000*
CASEY COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS
SERIES OF 2001

Dated: May 1, 2001 **Due: May 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 The Casey County Bank, Liberty, 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 November 1, 2001 and thereafter semiannually on each May 1 and November 1.

The Bonds maturing on and after May 1, 2012, shall be subject to prior redemption at the option of the Corporation on and after May 1, 2011, as discussed herein.

SCHEDULE OF MATURITIES

Due	Cusip #	Amount*	Rate	Yield	Due	Cusip #	Amount*	Rate	Yield
5/1/02		$30,000			5/1/12		$50,000		
5/1/03		35,000			5/1/13		50,000		
5/1/04		35,000			5/1/14		55,000		
5/1/05		45,000			5/1/15		100,000		
5/1/06		40,000			5/1/16		60,000		
5/1/07		40,000			5/1/17		60,000		
5/1/08		40,000			5/1/18		140,000		
5/1/09		45,000			5/1/19		150,000		
5/1/10		45,000			5/1/20		155,000		
5/1/11		50,000			5/1/21		165,000		

(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 Casey 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 Henry M. Reed III, Louisville, Kentucky, Bond Counsel to the Corporation. Delivery of the Bonds is expected on or about May 24, 2001.

*Preliminary, Subject to Permitted Adjustment.

FIRST KENTUCKY SECURITIES CORPORATION
Fiscal Agent

CASEY COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION

<u>Board of Directors</u>

Don Sweeney, President
Gary Whited, Vice President
Gale Durham, Director
Mike Davis, Director
Dinah Burton, Director

Vernon Clark, Secretary

CASEY COUNTY (KENTUCKY) BOARD OF EDUCATION

<u>Board Members</u>

Don Sweeney, Chairman
Gary Whited, Vice Chairman
Gale Durham
Mike Davis
Dinah Burton

June Phelps, Secretary
Vernon Clark, Superintendent

BOND COUNSEL

Henry M. Reed III
Louisville, Kentucky

FISCAL AGENT

First Kentucky Securities Corporation
Frankfort, Kentucky

PAYING AGENT/BOND REGISTRAR

The Casey County Bank
Liberty, Kentucky

No dealer, broker, salesman, or other person has been authorized by the Casey County School District Finance Corporation, the Casey 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 Casey 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

$1,390,000*
CASEY COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS
SERIES OF 2001

Dated Date: May 1, 2001

This Official Statement, which includes the cover page, is being distributed by the Casey County School District Finance Corporation (the "Corporation") to furnish pertinent information to all who may become holders of its School Building Revenue Bonds, Series of 2001, dated May 1, 2001 (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 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 Contract, Lease and Option, 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 58.180, the Corporation adopted a Bond Resolution (i) authorizing the issuance of $1,390,000* School Building 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 May 1, 2001 will bear interest payable November 1, 2001, and thereafter semiannually on each May 1 and November 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 Ordinance.

*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.

Optional Redemption Provision

The Bonds maturing on and after May 1, 2012, are subject to redemption prior to their stated maturities on any date falling on or after May 1, 2011, in whole, or from time to time, in part, in any order of maturities (less than all of a single maturity to be selected by lot), at the option of the Corporation at the following redemption prices (expressed as percentages of principal amount), plus accrued interest to the redemption date, all in the manner provided by the Resolution:

If Redeemed:	**Redemption Price**
May 1, 2011 through April 30, 2012	101.0%
May 1, 2012 through April 30, 2013	100.5%
May 1, 2013 and thereafter	100.0%

Statutory Authority, Purpose of Issue and Security

These Bonds are authorized pursuant to KRS 162.120 through 162.300, 162,385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance the renovations of the gymnasium at Casey County High School (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school buildings to the Board under the Lease on a year-to-year basis; the first rental period ending June 30, 2002.

The rental of the Project from the Corporation to the Board is to be effected under a certain Contract, Lease and Option by and between the Corporation and the Board (the "Lease"), whereunder the Project is leased to the Board for the initial period ending June 30, 2002, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately 63% of the debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Project and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay annually approximately 63% of the debt service requirements of the Bonds to be applied only to the payment of the principal and interest requirements on the Bonds; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating June 30, 2002; the right is reserved in the Commission to terminate the commitment to pay the Agreed Participation every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project and secured by the same statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of said school building Project in accordance with the plans and specifications of the architect in charge of said Project, which plans have been completed, approved by the Board, Kentucky Department of Education, and filed in the office of the Secretary of the Corporation.

CASEY 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 Casey 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 PROJECT

The Project consists of renovations to the gymnasium at Casey County High School. The work scope consists of, but is not limited to, removing the existing roof, insulation and rotten deck, and replacing same. Removing and replacing existing wood floor, as well as the bleachers. Redesign locker rooms, demolishing existing entry canopy and adding entry. Removing and replacing all exterior doors and frames, removing and replacing interior doors, and reworking existing public toilets to be accessible.

Estimated Sources and Uses of Funds

Sources of Funds

Series of 2001 Bonds		
Local Participation	$ 461,334	
SFCC Participation	928,666	
		$1,390,000
Interest Earnings and Cash Contribution		160,000
Total		$1,550,000

Uses of Funds

Construction Costs	$1,509,258
Underwriter's Discount (2%)	27,800
Issuance Costs	12,860
Surplus Rounding	82
Total	$1,550,000

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 "Casey County School District Finance Corporation School Building Revenue Bond and Interest Redemption Fund of May 1, 2001" (the "Series 2001 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, until needed for construction purposes, with the Construction Depository (The Casey County Bank, Liberty, Kentucky), into a special account called "Casey County School District Finance Corporation Series 2001 School Construction Fund" (the "Construction 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 Casey County School District Finance Corporation School Building Revenue Bonds, Series of 2001, in an aggregate amount of $1,390,000*. The Bonds are fully registered and in denominations in multiples of $5,000. The Bonds bear interest payable on May 1 and November 1 in each year, beginning November 1, 2001, 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

The Casey County Bank, Liberty, 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:

> **Casey County School District Finance Corporation School Building Revenue Bond and Interest Redemption Fund of May 1, 2001 (the "Series 2001 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 April 15 and October 15, the first such payment to be made on or before October 15, 2001.

*Preliminary, Subject to Adjustment

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.

Casey County School District Finance Corporation Series 2001 School Construction Fund (the "Construction 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 Construction Fund for the payment, exclusively, of the costs of the school construction project described herein. The Construction Depository shall be The Casey County Bank, Liberty, Kentucky. Payments from the Construction Fund shall be made by check signed by the Treasurer of the Corporation upon approval of the Board. Each check shall have attached a voucher, signed by the Architect having supervision of the construction, stating that the labor and/or materials for which the payment is being made have been, in fact, received and utilized on the site of the project. Such a voucher is not required for checks which reimburse the Board for advance payments made prior to the receipt of bond proceeds.

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 properties as will be sufficient to pay the principal of and interest on the Bonds when same become due.

Statutory Mortgage Lien Created

The Resolution recognizes the statutory mortgage lien upon the school Project properties which are granted and created by Section 162.200 of the Kentucky Revised Statutes. Please see "Statutory Authority, Purpose of Issue and Security" herein on page 3. Said lien is and shall be restricted in its application 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 site 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 site described in the Resolution other structures and improvements free and clear of said statutory mortgage lien, even though the same are connected by using as party walls one or more walls of structures which are subject to said mortgage lien, 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 Project properties, 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 CONTRACT, LEASE AND OPTION

The following summarizes certain provisions of the Lease pursuant to which the Corporation leases the school building properties 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 May 1, 2001.

The initial term of the Lease shall expire on June 30, 2002; 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 October 1, together with the Bonds and interest which will be due on May 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 May, 2021, 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 full principal amount of outstanding Bonds issued by the Corporation, such sum to include interest due and all expenses incident to such retirement, including payment of any premium required to be paid to bondholders for such prior redemption.

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 <u>shall</u> 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 <u>may</u> 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

As a result of the Board and issuing agencies acting on behalf of the Board having outstanding, at the time the Bonds referred to herein are offered for public sale, municipal securities in excess of $10,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered Owners or Beneficial Owners of the Bonds whereunder said Board shall be obligated to (i) supply to the repositories designated under said Rule by the Municipal Securities Rule Making Board notice of any of the “material events” outlined in said Rule should same occur and (ii) supply financial information on an annual basis. A draft of said agreement is attached hereto as Appendix D.

Financial information regarding the Board may be obtained from Superintendent, Casey County Board of Education, 806 Kenton, Liberty, Kentucky 42539 (606-787-6941).

TAX EXEMPTION

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, 2001, 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.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Henry M. Reed III, 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", "Certain Provisions of the Bond Resolution", "Certain Provisions of the Contract, Lease and Option", "State Support of Education", "Continuing Disclosure" and "Tax Exemption", and is of the opinion that such information is 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 Project", "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, Frankfort, Kentucky, Financial Advisor to the Corporation, has requested and received permission and approval of the Corporation to bid, either alone or in conjunction with others, on the Bonds. The Financial Advisor has expressed its intent to so bid.

First Kentucky Securities Corporation will receive a fee, subject to sale and delivery of the Bonds, for its advisory services. Said fee is separate from and in addition to compensation received, if any, for underwriting of the Bonds.

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 Contract, Lease and Option 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 Contract, Lease and Option 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.

CASEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION

/s/ Don Sweeney
President

ATTEST:

/s/ Vernon Clark
Secretary

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

/s/ Dr. Robert E. Tarvin
Executive Director

APPENDIX A

Enrollment
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
CASEY COUNTY SCHOOL DISTRICT

The Casey 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	Enrollment	Average Daily Attendance
2001 (est.)	2,350	2,206.7
2000	2,416	2,197.3
1999	2,453	2,209.6
1998	2,464	2,228.9

Property Subject to Taxation

Year	Total Assessed Value
2000/01	$344,851,838
1999/00	325,024,107
1998/99	299,059,948
1997/98	296,211,534

History of Assessment Rates

	2000/01	1999-00	1998-99	1997-98
Real Estate	36.9¢	37.6¢	38.8¢	39.3¢
Tangible	36.9¢	37.6¢	39.6¢	39.3¢
Motor Vehicle	56.3¢	56.3¢	56.3¢	56.3¢
Utilities	3%	3%	3%	3%

Tax Receipts in the District

Fiscal Year	Total Charges	Net to District (1)
2000/01	$2,314,311	$1,105,726
1999/00	2,449,540	1,185,930
1998/99	2,324,697	1,115,381

(1) Amount received before remitting 4% commission to Sheriff's office.

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

Fiscal Years Ending June 30

	2001	**2000**	**1999**	**1998**
Cash Balance, July 1	$1,110,273	$ 555,174	$ 166,267	$ 285,837
Adjustments in Beginning Balance	0	0	(50,072)	0
Beginning Balance, July 1	1,110,273	555,174	116,195	285,837
RECEIPTS:				
Revenue from Local Sources	1,732,000	1,855,041	1,776,115	1,788,310
Revenue from Intermediate Srcs	1,500	1,984	3,502	0
Revenue from State Sources	8,545,244	8,535,950	8,301,883	7,807,241
Federal Aid through State	10,000	20,498	0	0
Non-Revenue Receipts	0	0	6,238	0
Clearances and Transfers	0	0	0	0
Earnings on Investments	0	0	0	0
Total Receipts	10,288,744	10,413,473	10,087,738	9,595,551
Total Funds Available	11,399,017	10,968,647	10,203,933	9,881,388
DISBURSEMENTS:				
Total Current Expenses	11,319,017	9,751,963	9,595,952	9,674,520
Fund Transfers	80,000	106,410	52,807	40,601
Total Disbursements	11,399,017	9,858,373	9,648,759	9,715,121
Cash Balance, June 30	$ 0	$ 1,110,274	$ 555,174	$ 166,267

Source: Information for fiscal year 2001 was taken from the working budget report. Information for fiscal years 2000-1998 was taken from audited financial statements prepared by Wilson & Company, PSC, Certified Public Accountants, Somerset, Kentucky.

CASEY COUNTY SCHOOL DISTRICT
Comparative Statement of
Receipts and Disbursements
CAPITAL OUTLAY FUND

Fiscal Years Ending June 30

	2001	**2000**	**1999**	**1998**
Cash Balance, July 1	$ 15,763	$ 1,005	$ 0	$ 345
RECEIPTS:				
Capital Outlay Allotment	220,670	219,730	220,960	222,890
Total Receipts and Balance	236,433	220,735	220,960	223,235
DISBURSEMENTS:				
Building Renovations/Ad	44,572	0	0	
Debt Service	191,861	204,973	187,955	220,005
Fund Transfers	0	0	32,000	3,230
Total Disbursements	236,433	204,973	219,955	223,535
Cash Balance, June 30	$ 0	$ 15,763	$ 1,005	$ 0

Source: Information for fiscal year 2001 was taken from the working budget report. Information for fiscal years 2000-1998 was taken from audited financial statements prepared by Wilson & Company, PSC, Certified Public Accountants, Somerset, Kentucky.

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Utilities Gross Receipts Tax For Schools

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

2000/2001 (est.)	**1999/2000**	**1998/99**	**1997/98**
$365,000	$380,378	$366,153	$354,196

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 May 1, 2001
November 1, 1993	12/1/2013	$ 3,268,407	$ 2,013,561
June 1, 1994	6/1/2014	52,113	33,620
March 1, 1995	3/1/2015	2,805,955	2,505,303
August 1, 1996	8/1/2016	1,155,355	1,089,202
Subtotal		$ 7,281,830	$5,641,686

SFCC Participation (1):

Date of Issue	Final Maturity	Original Amount Issued	Bonds Outstanding as of May 1, 2001
November 1, 1993	12/1/2006	$ 856,593	$ 451,439
June 1, 1994	6/1/2014	342,887	271,380
March 1, 1995	3/1/2015	504,045	404,697
August 1, 1996	8/1/2016	594,645	515,798
December 1, 1998	12/1/2018	1,490,000	1,390,000
Subtotal		$ 3,788,170	$3,033,314
Total		$11,070,000	$8,675,000

(1) These bonds are payable by the Kentucky School Facilities Construction Commission.

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APPENDIX B

General Information
Casey County Municipal Bond Debt
Ten Largest Corporate Taxpayers in the County

General Information

Casey County is located in the Mississippian Plateaus area of south-central Kentucky. It is a well-dissected upland area with rather broad valleys and numerous long, flat-topped ridges. Casey County, which covers a land area of 446 square miles, had an estimated 1998 population of 14,773.

Liberty, the county seat of Casey County, is located 77 miles south of Lexington, Kentucky; 179 miles northeast of Nashville, Tennessee; and 123 miles southeast of Louisville, Kentucky. Liberty had an estimated 1998 population of 2,003.

Casey County firms employed 3,348 people in 1997. Contract construction firms provided 110 jobs; manufacturing firms in the county reported 1,348 employees; wholesale and retail trade provided 560 jobs; 523 were employed in the service industry; and state and local government accounted for 618 jobs.

There is a current estimated labor supply of 36,425 persons available for industrial jobs in the labor market area. In addition, from 1999 to 2003, approximately 13,607 young persons in the labor market area will become 18 years of age and potentially available for industrial jobs.

The ten largest employers in the County and their employment for 1999 are as follows:

Firm, Year Established and Product	**1999 Employment**
Tarter Gate Co., Inc. (1945) Farm gates, feeders, corrals, hardwood lumber, pallets, tobacco sticks	300
Osh Kosh B'Gosh, Inc. (1985) Knitted & woven children's clothing	288
ACS (1995) Data acquisition	100
Wayne Floyd Gate Co., Inc. (1984) Farm gates, feeders, cattle head catchers	65
Wolford & Wethington Co., Inc. (1981) Hardwood lumber, furniture square kiln drying	65
Green River Gate (1990) Farm gates, feeders	50
South Indiana Lumber Co. Inc. (1967) Furniture stock, hardwood lumber, squares & handle blanks	50
Wood products (1995) Wood pallets	38
Murphy Gate Company (1981) Farm gates, feeders, corrals, steel tubing	35
C-Ville Fabricating Inc. Hay movers, feeders, squeeze chutes & automatic head catchers	30

Liberty is served by U.S. Highway 127, a AAA-rated trucking highway, and AA-rated Kentucky Routes 70 and 49. Access to the Cumberland Parkway, a limited access multi-lane toll road, is 24 miles south of Liberty via U.S. 127. The Cumberland Parkway then provides access to Interstate 65 to the west. The Parkway and Kentucky 80 provides access to Interstate 75 to the east. Fifteen common carrier trucking companies provide interstate and/or intrastate service to Liberty. The Liberty-Casey County Airport and the Stuart Powell Field Airport in Danville, provide small aircraft service. Scheduled commercial airline service is available at Blue Grass Airport near Lexington, Kentucky, 62 miles north of Liberty.

Electric power is provided to Liberty and parts of Casey County by Kentucky Utilities Company. The remainder of Casey County is served by rural electric cooperative corporations supplied by East Kentucky Power. Natural gas service is provided to Liberty by the Liberty Gas Company, which is supplied by the Texas Eastern Transmission Company.

Source: The Kentucky Cabinet for Economic Development; Division of Research

Casey County Municipal Bond Debt (as of June 30, 1999)

	Original Amount Issued	Principal Amount Outstanding
City of Liberty		
Water and Sewer Revenue	$3,419,000	$2,676,600
Kentucky Infrastructure Loan Public Corporation	163,822	106,842
Special District Casey Co. Public Hospital District Corp.		
Hospital Public Corporation	1,845,000	955,000
Special District East Casey Conty Water District		
Water Revenue	1,726,000	1,637,000

Source: 1999 Kentucky Local Debt Report

Ten Largest Corporate Taxpayers in the County

Name	Assessment
Tarter Brothers	$3,980,500
Osh Kosh B'Gosh	4,122,000
Casey County Bank	1,855,000
Pamida	1,500,000
Rite-Aid	1,500,000
Liberty Square	1,250,000
Liberty Manor	1,050,000
Farmers Deposit Bank	978,000
Fletchers Chevrolet	750,000
McDonald's	570,000

APPENDIX C

Estimated District Debt Service Requirements on Series of 2001 Bonds
Estimated District Total Annual Debt Service Requirements

CASEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS
SERIES OF 2001

ESTIMATED DISTRICT AND SFCC DEBT SERVICE REQUIREMENTS

	District Participation			SFCC Participation			Total Participation		
Date	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
11/01/01		$11,821.11	$11,821.11		$21,937.66	$21,937.66		$33,758.77	$33,758.77
05/01/02	$222	11,821.11	12,043.11	$29,778	21,937.66	51,715.66	$30,000	33,758.77	63,758.77
11/01/02	-	11,817.22	11,817.22	-	21,416.54	21,416.54	-	33,233.76	33,233.76
05/01/03	2,090	11,817.22	13,907.22	32,910	21,416.54	54,326.54	35,000	33,233.76	68,233.76
11/01/03	-	11,779.60	11,779.60	-	20,824.16	20,824.16	-	32,603.76	32,603.76
05/01/04	3,705	11,779.60	15,484.60	31,295	20,824.16	52,119.16	35,000	32,603.76	67,603.76
11/01/04	-	11,710.13	11,710.13	-	20,237.38	20,237.38	-	31,947.51	31,947.51
05/01/05	10,221	11,710.13	21,931.13	34,779	20,237.38	55,016.38	45,000	31,947.51	76,947.51
11/01/05	-	11,508.27	11,508.27	-	19,550.50	19,550.50	-	31,058.77	31,058.77
05/01/06	6,392	11,508.27	17,900.27	33,608	19,550.50	53,158.50	40,000	31,058.77	71,058.77
11/01/06	-	11,378.83	11,378.83	-	18,869.94	18,869.94	-	30,248.77	30,248.77
05/01/07	2,431	11,378.83	13,809.83	37,569	18,869.94	56,438.94	40,000	30,248.77	70,248.77
11/01/07	-	11,327.78	11,327.78	-	18,080.99	18,080.99	-	29,408.77	29,408.77
05/01/08	3,154	11,327.78	14,481.78	36,846	18,080.99	54,926.99	40,000	29,408.77	69,408.77
11/01/08	-	11,259.97	11,259.97	-	17,288.80	17,288.80	-	28,548.77	28,548.77
05/01/09	3,769	11,259.97	15,028.97	41,231	17,288.80	58,519.80	45,000	28,548.77	73,548.77
11/01/09	-	11,177.05	11,177.05	-	16,381.72	16,381.72	-	27,558.77	27,558.77
05/01/10	3,999	11,177.05	15,176.05	41,001	16,381.72	57,382.72	45,000	27,558.77	72,558.77
11/01/10	-	11,087.07	11,087.07	-	15,459.19	15,459.19	-	26,546.26	26,546.26
05/01/11	8,937	11,087.07	20,024.07	41,063	15,459.19	56,522.19	50,000	26,546.26	76,546.26
11/01/11	-	10,881.52	10,881.52	-	14,514.74	14,514.74	-	25,396.26	25,396.26
05/01/12	3,628	10,881.52	14,509.52	46,372	14,514.74	60,886.74	50,000	25,396.26	75,396.26
11/01/12	-	10,796.26	10,796.26	-	13,425.00	13,425.00	-	24,221.26	24,221.26
05/01/13	2,818	10,796.26	13,614.26	47,182	13,425.00	60,607.00	50,000	24,221.26	74,221.26
11/01/13	-	10,728.63	10,728.63	-	12,292.63	12,292.63	-	23,021.26	23,021.26
05/01/14	6,705	10,728.63	17,433.63	48,295	12,292.63	60,587.63	55,000	23,021.26	78,021.26
11/01/14	-	10,564.35	10,564.35	-	11,109.40	11,109.40	-	21,673.75	21,673.75
05/01/15	50,244	10,564.35	60,808.35	49,756	11,109.40	60,865.40	100,000	21,673.75	121,673.75
11/01/15	-	9,308.25	9,308.25	-	9,865.50	9,865.50	-	19,173.75	19,173.75
05/01/16	8,418	9,308.25	17,726.25	51,582	9,865.50	61,447.50	60,000	19,173.75	79,173.75
11/01/16	-	9,093.59	9,093.59	-	8,550.16	8,550.16	-	17,643.75	17,643.75
05/01/17	1,237	9,093.59	10,330.59	58,763	8,550.16	67,313.16	60,000	17,643.75	77,643.75
11/01/17	-	9,061.74	9,061.74	-	7,037.02	7,037.02	-	16,098.76	16,098.76
05/01/18	78,445	9,061.74	87,506.74	61,555	7,037.02	68,592.02	140,000	16,098.76	156,098.76
11/01/18	-	7,022.17	7,022.17	-	5,436.59	5,436.59	-	12,458.76	12,458.76
05/01/19	84,984	7,022.17	92,006.17	65,016	5,436.59	70,452.59	150,000	12,458.76	162,458.76
11/01/19	-	4,791.34	4,791.34	-	3,729.92	3,729.92	-	8,521.26	8,521.26
05/01/20	87,701	4,791.34	92,492.34	67,299	3,729.92	71,028.92	155,000	8,521.26	163,521.26
11/01/20	-	2,467.26	2,467.26	-	1,946.49	1,946.49	-	4,413.75	4,413.75
05/01/21	92,234	2,467.26	94,701.26	72,766	1,946.49	74,712.49	165,000	4,413.75	169,413.75
Total	$461,334	$399,164.28	$860,498.28	$928,666	$555,908.66	$1,484,574.66	$1,390,000	$955,072.94	$2,345,072.94

Source: Fiscal Agent

CASEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS
SERIES OF 2001

Estimated Total Annual District Debt Service Requirements

FY 6/30	Existing Debt Service	Series of 2001 Bonds Principal	Interest	Total	Total
2002	$635,499	$ 222	$23,642	$23,864	$659,363
2003	633,831	2,090	23,634	25,724	659,555
2004	635,996	3,705	23,559	27,264	663,260
2005	627,142	10,221	23,420	33,641	660,783
2006	632,018	6,392	23,017	29,409	661,427
2007	635,399	2,431	22,758	25,189	660,588
2008	502,073	3,154	22,656	25,810	527,883
2009	505,355	3,769	22,520	26,289	531,644
2010	502,033	3,999	22,354	26,353	528,386
2011	497,388	8,937	22,174	31,111	528,499
2012	506,417	3,628	21,763	25,391	531,808
2013	508,005	2,818	21,593	24,411	532,416
2014	502,935	6,705	21,457	28,162	531,097
2015	456,250	50,244	21,129	71,373	527,623
2016	124,689	8,418	18,616	27,034	151,723
2017	131,049	1,237	18,187	19,424	150,473
2018	0	78,445	18,123	96,568	96,568
2019	0	84,984	14,044	99,028	99,028
2020	0	87,701	9,583	97,284	97,284
2021	0	92,234	4,935	97,169	97,169
Total	$8,036,079	$461,334	$399,164	$860,498	$8,896,577

Note: All calculations have been rounded to the nearest dollar.

Source: Fiscal Agent

APPENDIX D

Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement ("Agreement") made and entered into as of the 1st day of May, 2001 by and between the Board of Education of Casey County, Liberty, Kentucky ("Board"); the Casey County School District Finance Corporation, Liberty, Kentucky, an agency and instrumentality of the Board ("Corporation") and the Registered and Beneficial Owners of the Bonds hereinafter identified as third party beneficiaries to this Agreement. For the purposes of this Agreement "Beneficial Owner" means the person or entity treated as the owner of the Bonds for federal income tax purposes and "Registered Owner" means the person or entity named on the registration books of the bond registrar.

The Board has never failed under previous written agreements to comply in all material respects with any previous undertaking with regard to the Rule to provide required financial reports or notices of material events.

W I T N E S S E T H:

WHEREAS, the Corporation has acted as issuing agency for the Board pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and the Corporation's Bond Resolution in connection with the authorization, sale and delivery of $1,390,000 of the Corporation's School Building Revenue Bonds, Series of 2001, dated May 1, 2001 ("Bonds"), which Bonds were offered for sale under the terms and conditions of a Final Official Statement ("FOS") prepared by First Kentucky Securities Corporation, Frankfort, Kentucky ("Financial Advisor") and approved by the authorized representatives of the Board and the Corporation, and

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

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

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

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

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

1. ANNUAL FINANCIAL INFORMATION.

The Board agrees to provide the annual financial information contemplated by Rule 15c2-12(b)(5)(i) relating to the Board for its fiscal years ending June 30 of each year to the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRS") as specified by SEC Regulations and the State Information Depository ("SID"), if any (the Commonwealth of Kentucky has not established a SID as of the date of this Agreement) within nine (9) months of the close of each fiscal year.

For the purposes of the Rule "annual financial information" means financial information or operating data provided annually, of the type included in the FOS with respect to the Board, and shall include annual audited financial statements for the Board in order that the recipients will be provided with ongoing information regarding revenues and operating expenses of the Board.

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

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

2. MATERIAL EVENTS NOTICES.

Under the Rule, Section 15c2-12(b)(5)(i)(C), the following eleven (11) events must be disclosed to the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRS") or to the Municipal Securities Rule Making Board ("MSRB") and to the SID, if any:

(1) Principal and interest payment delinquencies;

(2) Nonpayment related defaults;

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

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

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

(6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(7) Modifications to rights of Bondholders;

(8) Bond calls;

(9) Defeasances;

(10) Release, substitution or sale of property securing the repayment of the Bonds; and

(11) Rating changes.

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

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

3. SPECIAL REQUESTS FOR INFORMATION.

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

4. DISCLAIMER OF LIABILITY.

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

5. FINAL OFFICIAL STATEMENT.

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

6. DURATION OF THE AGREEMENT.

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

7. AMENDMENT; WAIVER

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

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

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

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

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

8. DEFAULT

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

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

BOARD OF EDUCATION OF
CASEY COUNTY, KENTUCKY

____
Chairman

Attest:

____
Secretary

CASEY COUNTY SCHOOL DISTRICT
FINANCE CORPORATION

____
President

Attest:

____
Secretary

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $1,390,000* of School Building Revenue Bonds, Series of 2001, dated May 1, 2001 (the "Bonds") offered for sale by the Casey County (Kentucky) School District Finance Corporation (the "Corporation"), an agency and instrumentality acting on behalf of the Board of Education of Casey County, Kentucky and in accordance with the Notice of Bond Sale, as advertised, in The Courier-Journal, published in Louisville, Kentucky, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said $1,390,000* principal amount of Bonds, the total sum of $___________(not less than $1,362,200), plus accrued interest from May 1, 2001, at the following annual rate(s), payable semiannually (rates on ascending scale; number of interest rates unlimited) and maturing on May 1 in each of the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2002	$30,000	%	2012	$50,000	%
2003	35,000		2013	50,000	
2004	35,000		2014	55,000	
2005	45,000		2015	100,000	
2006	40,000		2016	60,000	
2007	40,000		2017	60,000	
2008	40,000		2018	140,000	
2009	45,000		2019	150,000	
2010	45,000		2020	155,000	
2011	50,000		2021	165,000	

*Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $1,530,000 of Bonds or as little as $1,250,000 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.

Bids may be telephoned to 502-564-5582 to the offices of the Kentucky School Facilities Construction Commission (Attn: Dr. Robert E. Tarvin) or sent by telephonic transfer to 502-564-3412.

Neither the Corporation nor the Financial Advisor assumes any responsibility whatsoever with regard to the receipt of bids, or provisions for adequate personnel and/or equipment being available to accept all telephone and/or telephonic transfers of bids before the appointed date and hour. Bidders have the sole responsibility of assuring that their bids are telephoned, sent by telephonic transfer and been received, or delivered by an employee or agent for the Bidder before the appointed date and hour of sale. Any bids in progress by telephone or telephonic transfer at the appointed time will be considered as received by the appointed time and hour.

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 May 1 in accordance with the maturity schedule setting the actual size of the issue.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Henry M. Reed III, Bond Counsel, of Louisville, Kentucky. No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day 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 The Casey County Bank, Liberty, Kentucky; Attention: Mark Wolford, Vice President, (606) 787-8344.

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds within forty-five (45) days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

____
Bidder

By ____
Signature

____
Address

Total interest cost from May 1, 2001 to final maturity $___________________

Plus discount $___________________

Net interest cost (Total interest cost plus discount) $___________________

Average interest rate or cost ________%

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

Accepted by the Secretary of the Casey County School District Finance Corporation for $_________________ amount of Bonds at a price of $______________ as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2002	$	%	2012	$	%
2003			2013		
2004			2014		
2005			2015		
2006			2016		
2007			2017		
2008			2018		
2009			2019		
2010			2020		
2011			2021		

Dated: May 10, 2001.

____
Secretary, Casey County School District

OFFICIAL
TERMS AND CONDITIONS OF BOND SALE

$1,390,000*
Casey County School District Finance Corporation
School Building Revenue Bonds, Series of 2001
Dated May 1, 2001

SALE: May 10, 2001 AT 11:00 A.M., E.D.S.T.

As advertised in *The Courier-Journal*, published in Louisville, Kentucky, the Secretary of the Casey County (Kentucky) School District Finance Corporation ("Corporation") will until May 10, 2001, at the hour of 11:00 A.M., E.D.S.T., at the office of Dr. Robert E. Tarvin, Executive Director of the School Facilities Construction Commission, 229 W. Main Street, Suite 102, Frankfort, Kentucky 40601, receive sealed competitive bids for the revenue bonds herein described. To be considered bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be considered by the Secretary and may be accepted without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by $140,000.

CASEY COUNTY (KENTUCKY)
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 Casey County, Kentucky (the "Board"). Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Bonds herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance the construction of renovation of Casey County High School Gymnasium (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school building to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2002; the statutory mortgage lien securing the Bonds is limited in its application to the site of the Project constructed from the proceeds of the Bonds, real estate unoccupied by the Project is unencumbered. Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of Bonds have the right to have a receiver appointed to administer the Projects under KRS 162.220; foreclosure and sale are not available as remedies.

The rental of the Project from the Corporation to the Board is to be effected under a certain Contract, Lease and Option by and between the Corporation and the Board (the "Lease"), whereunder the Project is leased to the Board for the initial period ending June 30, 2002, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately 63% of the debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Project and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately 63% of the debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2002; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

The 2000 Regular Session of the General Assembly allocated the sum of $8,100,000 to the Commission for new projects for the biennium ending June 30, 2002 in addition to the appropriation for existing obligations of the Commission.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project and secured by the same statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of said school building Project in accordance with the plans and specifications of the architect in charge of said Project, which plans have been completed, approved by the Board, Kentucky Department of Education, and filed in the office of the Secretary of the Corporation.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from May 1, 2001, payable on November 1, 2001, and semi-annually thereafter and shall mature as to principal on May 1 in each of the years thereafter as follows:

YEAR	PRINCIPAL MATURITIES
2002	$ 30,000
2003	35,000
2004	35,000
2005	45,000
2006	40,000
2007	40,000
2008	40,000
2009	45,000
2010	45,000
2011	50,000
2012	50,000
2013	50,000
2014	55,000
2015	100,000
2016	60,000
2017	60,000
2018	140,000
2019	150,000
2020	155,000
2021	165,000

* Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $140,000 which may be applied in any or all maturities.

The Bonds maturing on or after May 1, 2012, are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after May 1, 2011, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the Registered Owners of the Bonds so selected not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, plus a redemption premium equal to 1% of the face amount so redeemed if the date of redemption is on or before April 30, 2012, and on the same terms if redeemed thereafter and on or before April 30, 2013, except that the redemption premium shall then be ½ of 1%, and without redemption premium if redeemed thereafter and prior to maturity.

Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see “BOOK-ENTRY-ONLY-SYSTEM” below. The Casey County Bank, Liberty, Kentucky, has been designated as Bond Registrar and Paying Agent. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on November 1 and May 1 of each year, beginning November 1, 2001.

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on Official Bid Form, contained in Information for Bidders available from the undersigned First Kentucky Securities Corporation, Frankfort, Kentucky, enclosed in sealed envelopes marked "Bid for School Building Revenue Bonds".

(B) The minimum bid shall be not less than $1,362,200 (98% of par), plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(D) The determination of the best purchase bid for said Bonds shall be made on the basis of all bids submitted for exactly $1,390,000 principal amount of Bonds offered for sale hereunder, but the Corporation may adjust the principal amount of Bonds upward or downward by $140,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $1,250,000 or a maximum of $1,530,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $5,000 of Bonds as the price per $5,000 for the $1,390,000 of Bonds bid.

(E) 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 May 1 in accordance with the maturity schedule setting the actual size of the issue.

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

(G) The Corporation shall provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

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

(I) Delivery will be made in Louisville or Lexington, Kentucky, or Nashville, Tennessee, or Cincinnati, Ohio, at no expense to the purchaser or at any other place in the Continental United States desired by the purchaser at his expense; PROVIDED, HOWEVER, the purchaser shall bear any bank service charge for processing the delivery of the Bonds and closing the transaction if delivery is made at a location other than the principal office of the Bond Registrar. Payment shall be in FEDERAL FUNDS.

It is intended that delivery will be effected by Bond Certificates, but the right to utilize a fully registered manuscript (typed) Master Bond in the name of the manager of the purchasing syndicate in the full amount of the issue is reserved in the Corporation.

The purchaser shall be required to supply the Bond Registrar with the name, address, Social Security or Taxpayer Identification number, principal amount and principal maturities for each person or entity in whose name Bonds are to be registered. Failure of a purchaser to fully designate the Registered Owners of Bonds shall result in the issuance of Bond Certificates by the Registrar in the purchaser's "street name" (to the extent a purchaser fails to designate).

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

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 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 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 overexpenditures for emergency capital construction; and (5) a reserve for each of the categories enumerated in 1 through 4 above.

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

KRS 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 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.

TAX EXEMPTION

Bond Counsel is of the opinion that the 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 Bonds and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law; 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 not more than $10,000,000 of qualified tax-exempt obligations during the calendar year ending December 31, 2001, 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 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.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board having outstanding at the time the Bonds referred to herein are offered for public sale municipal securities in excess of $10,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered Owners or Benefical Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12.

Financial information regarding the Board may be obtained from Superintendent, Board of Education of the Casey County School District, Highway #127, Route 1, Box 21, Liberty, Kentucky 42539 (606-787-6941).

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("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.

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 Bond Registrar/Paying Agent, 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 Bond Registrar/Paying Agent, 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 Bond Registrar/Paying Agent, 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 Bond Registrar/Paying Agent, 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/Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Bonds made 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, Direct Participants or Indirect Participants will serve and act in the manner described in the Official Statement.

SO LONG AS, THE BONDS ARE HELD BY DTC OR ITS NOMINEE, CEDE & CO., IN BOOK-ENTRY ONLY FORM, THE PAYING AGENT WILL RECOGNIZE AND TREAT DTC OR ITS NOMINEE, CEDE & CO., AS THE HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE BOND RESOLUTION, PROVIDED THAT THE PAYING AGENT WILL RECOGNIZE BENEFICIAL OWNERS FOR PURPOSES OF THE PURCHASE OF BENEFICIAL OWNERSHIP INTERESTS. CONSEQUENTLY, EACH BENEFICIAL OWNER OF A BOND IS RESPONSIBLE FOR OBSERVING THE PROCEDURES OF THE DIRECT PARTICIPANT OR INDIRECT PARTICIPANT WHICH MAINTAINS A RECORD OF SUCH INTEREST IN THE BONDS IN ORDER TO PERMIT THE TIMELY OBSERVANCE OF THE TENDER PROCESS WITH RESPECT TO AN INTEREST IN THE BONDS OTHER THAN A BENEFICIAL OWNERSHIP INTEREST ABOVE. EACH BENEFICIAL OWNER IS RESPONSIBLE FOR OBSERVING THE PROCEDURES OF THE DIRECT PARTICIPANT, INDIRECT PARTICIPANT AND THE BOND REGISTRAR/PAYING AGENT, AS SET FORTH IN THE BOND RESOLUTION, IN ORDER TO PERMIT THE TIMELY OBSERVANCE OF THE TENDER PROCESS WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS.

CASEY COUNTY SCHOOL DISTRICT
FINANCE CORPORATION

/s/ Vernon Clark
Secretary