

COMMONWEALTH OF KENTUCKY  
Department of Education  
Office of District Support Services

Bond of Depository for Public School Funds

The undersigned Town & Country Bank of Bardstown, Kentucky, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the Nelson County Board of Education, in the penal sum of \_\_\_\_\_ dollars (\$ 9,994,249 )\* that it, as depository of the Nelson County Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a maximum of 2 years, beginning July 1, 2008.

As collateral for this undertaking the undersigned hereby pledges US Treasuries, Agencies Obligations and KY Rev. Bonds (Type of collateral\*\* - attach portfolio) in the principal sum of \_\_\_\_\_ dollars (\$ 10,000,000.00 )\*\*\* deposited in escrow with the JP Morgan Chase Bank of Louisville, Kentucky, hereinafter referred to as the Escrow Agent, evidenced by the safekeeping receipt filed in the offices of the local board of education, provided, however, that at no time shall the amount of collateral be reduced without the execution of a new bond which shall have prior approval by the Kentucky Department of Education, Division of School Finance, Frankfort, Kentucky.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving thirty (30) days notice, in writing, of its intention to do so to the chairperson of the Nelson County Board of Education, by registered mail, addressed to such chairperson at Bardstown, Kentucky, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving thirty (30) days notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond in not to be effectual until Federal Deposit Insurance protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this

11th day of June, 20\_\_\_\_  
Name of Bank Town & Country Bank and Trust Company  
By (Bank Official) [Signature] Title COO.

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the Nelson County Board of Education on June 17, 2008  
Chairperson \_\_\_\_\_ Secretary \_\_\_\_\_

\* Should agree with penal sum.

\*\* This collateral shall consist of United States Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations.

\*\*\* May not be less than penal sum.

# BOND OF DEPOSITORY WORKSHEET

## Penal Sum Calculation

INSTRUCTIONS: DISTRICT NAME: Nelson County

1. Copy this form - one copy for each financial institution where you have accounts.
2. Write in all account names at this bank - include school activity, general, payroll, and school food services.
3. Use bank statements from the last 12 months to complete this worksheet, start with most current bank statement in the appropriate month row and proceed with prior months until all month rows are completed.
4. Enter the bank balance on the 4th working day of the month.

BANK NAME: Town & Country Bank & Trust

ACCOUNT NAME	General Fund	Activity			
MONTH	BALANCE ON THE 4 <sup>th</sup> WORKING DAY OF THE MONTH				TOTAL
JANUARY	10,621,020	550,000			11,171,020
FEBRUARY	9,909,595	545,000			10,454,595
MARCH	8,117,131	540,000			8,657,131
APRIL	7,586,646	530,000			8,116,646
MAY	7,416,402	515,000			7,931,402
JUNE	3,321,659	495,000			3,816,659
JULY	4,742,777	590,000			5,332,777
AUGUST	4,168,213	600,000			4,228,213
SEPTEMBER	2,790,297	590,000			3,380,297
OCTOBER	2,780,028	580,000			3,360,028
NOVEMBER	5,039,176	570,000			5,609,176
DECEMBER	6,895,396	560,000			7,455,396

6. Add balances across to get total balance at this bank.
7. Circle the three months having the highest numbers in the total column.
8. Copy those three numbers here and add:

$$\begin{array}{r}
 11,171,020 \\
 + 10,454,595 \\
 + 8,657,131 \\
 = 30,282,746 \\
 /3 = 10,094,249 \\
 - 100,000 \\
 = 9,994,249
 \end{array}$$

9. Divide by 3 to get average of three high months deposits
10. Subtract amount insured by FDIC (\$100,000)
11. This is the penal sum of the bonds.
12. Retain this worksheet, your copy of the bond of depository, listing of collateral, and safekeeping receipts.
13. Track expiration dates of collateral and secure new listing with renewals of expired collateral from this depository.

Forward collateral listing and copy of this worksheet to: Kentucky Department of Education,  
Office of District Support Services, 500 Mero St., CPT, 15<sup>th</sup> Floor, Frankfort, KY 40601

COMMONWEALTH OF KENTUCKY  
Department of Education  
Office of District Support Services

Bond of Depository for Public School Funds

The undersigned, Your Community Bank of Bardstown, Kentucky, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the Nelson County Board of Education, in the penal sum of two million ninety thousand 2,090,000 dollars (\$ 2,090,000)\* that it, as depository of the Nelson County Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a maximum of 2 years, beginning July 1, 20\_\_.

As collateral for this undertaking the undersigned hereby pledges ~~Mtg backed & Municipal Investments~~ of collateral\*\* - attach portfolio) in the principal sum of \$2,237,350 dollars (\$ 2,237,350 )\*\*\* deposited in escrow with the Your Community Bank of Bardstown, Kentucky, hereinafter referred to as the Escrow Agent, evidenced by the safekeeping receipt filed in the offices of the local board of education, provided, however, that at no time shall the amount of collateral be reduced without the execution of a new bond which shall have prior approval by the Kentucky Department of Education, Division of School Finance, Frankfort, Kentucky.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving thirty (30) days notice, in writing, of its intention to do so to the chairperson of the Nelson County Board of Education, by registered mail, addressed to such chairperson at Bardstown, Kentucky, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving thirty (30) days notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond in not to be effectual until Federal Deposit Insurance protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this 17th day of June, 2008

Name of Bank Your Community Bank, Bardstown, KY

By (Bank Official) Howard Keene Title Vice President

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the Nelson County Board of Education on June 17, 2008  
Chairperson \_\_\_\_\_ Secretary \_\_\_\_\_

\* Should agree with penal sum.

\*\* This collateral shall consist of United States Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations.

\*\*\* May not be less than penal sum.

2200-051

# BOND OF DEPOSITORY WORKSHEET

## Penal Sum Calculation

**INSTRUCTIONS:** DISTRICT NAME: Nelson County

1. Copy this form - one copy for each financial institution where you have accounts.
2. Write in all account names at this bank - include school activity, general, payroll, and school food services.
3. Use bank statements from the last 12 months to complete this worksheet, start with most current bank statement in the appropriate month row and proceed with prior months until all month rows are completed.
4. Enter the bank balance on the 4th working day of the month.

BANK NAME: Your Community Bank

ACCOUNT NAME	Investment				
MONTH	BALANCE ON THE 4 <sup>th</sup> WORKING DAY OF THE MONTH				TOTAL
JANUARY	\$2,120,000				\$2,120,000
FEBRUARY	\$2,120,000				\$2,120,000
MARCH	\$2,120,000				\$2,120,000
APRIL	\$2,140,000				\$2,140,000
MAY	\$2,140,000				\$2,140,000
JUNE	\$2,140,000				\$2,140,000
JULY	\$2,170,000				\$2,170,000
AUGUST	\$2,170,000				\$2,170,000
SEPTEMBER	\$2,170,000				\$2,170,000
OCTOBER	\$2,190,000				\$2,190,000
NOVEMBER	\$2,190,000				\$2,190,000
DECEMBER	\$2,190,000				\$2,190,000

6. Add balances across to get total balance at this bank.
7. Circle the three months having the highest numbers in the total column.
8. Copy those three numbers here and add:

$$\begin{array}{r}
 \$2,190,000 \\
 + 2,190,000 \\
 + 2,190,000 \\
 = 6,570,000
 \end{array}$$

9. Divide by 3 to get average of three high months deposits
10. Subtract amount insured by FDIC (\$100,000)
11. This is the penal sum of the bonds.

$$\begin{array}{r}
 /3 = 2,190,000 \\
 - 100,000 \\
 = 2,090,000
 \end{array}$$

12. Retain this worksheet, your copy of the bond of depository, listing of collateral, and safekeeping receipts.
13. Track expiration dates of collateral and secure new listing with renewals of expired collateral from this depository.

**Forward collateral listing and copy of this worksheet to: Kentucky Department of Education,  
Office of District Support Services, 500 Mero St., CPT, 15<sup>th</sup> Floor, Frankfort, KY 40601**

# TENNESSEE

## PLEDGE RECEIPT

ENTER ID = Y668

SEQUENTIAL TICKET NUMBER = 110

&gt;&gt;&gt; ORIGINAL &lt;&lt;&lt;

\*\*\*\*\*

PLEDGOR COPY

DATE 01/06/06

TIME 11:46:38

NOTICE OF DELIVERY

TYPE: TEMPORARY

ORDER NBR: 52006005037

FROM: MELISSA JOYCE

REASON: GENERAL PLEDGE

ORDER SIZE: 1,000,741.4100 U  
ORIG FACE 1,440,000.00

DELIVER TO: SAFEKEEPING PLEDGE

ASSET: 31335H2M4  
FHLMC GOLD POOL # C90780  
5.50% DTD 1/1/04 DUE 1/1/24  
31335H2M4ACCOUNT: 29 01 001 1339800  
COMMUNITY BK OF SO IN-PLEDGE A/NELSON COUNTY  
BOARD OF EDUCATION  
CODE # 4257

INT REG: 70 FED-MEM

ULT REG: 70 FED-MEM

HELD AT: 70 FED-MEM

STTL AT: 70 FED-MEM

INSTRUCTIONS:

COPY

We will not be responsible to the pledgee (whether or not we have issued a safekeeping agreement expressly acknowledging the pledge) with respect to any income or principal reductions which are remitted to us prior to presentment and surrender of the security for payment, and the pledgee acknowledges that we have expressly agreed otherwise in writing. The pledgee understands that the par (original face) value or other information shown on the front of the Safekeeping Receipt may not reflect the market value of the security and further understands that some types of securities are subject to principal reductions or distributions prior to presentment and surrender of the security such that the par value may not reflect the outstanding principal balance of the security. The pledgee hereby acknowledges and agrees that the custodian is and shall be authorized to remit to the pledgor without further notice to or authorization from the pledgee, (i) all interest payments received by the custodian from time to time on all of the securities, and (ii) with respect to all mortgage-backed securities, if any, all principal payments or reductions received by the custodian from time to time on such securities. It shall be the sole responsibility of the pledgee and the pledgor not the custodian, to monitor from time to time the market value and remaining principal value of the securities, and the sufficiency and eligibility of the securities, with respect to the pledgee's collateralization requirements.

RELEASED BY: \_\_\_\_\_

AUTHORIZED SIGNATURE

DATE: \_\_\_\_\_

First Tennessee Bank National Association  
Box 84 Safekeeping M-Level  
Memphis, TN 38101-0084  
(901) 523-4580 (Phone)  
(901) 523-4139 (Fax)

10/1/06  
TENNESSEE

PLEDGE RECEIPT

ENTER ID = Y668

SEQUENTIAL TICKET NUMBER = 113

>>> ORIGINAL <<<

PLEDGOR COPY

DATE 01/06/06

TIME 11:47:09

NOTICE OF DELIVERY

TYPE: TEMPORARY

ORDER NBR: 52006005038

FROM: MELISSA JOYCE

REASON: GENERAL PLEDGE

ORDER SIZE: 1,861,646.8800 U  
ORIG FACE 2,500,000.00

DELIVER TO: SAFEKEEPING PLEDGE

ASSET: 31335HYB3  
FHLMC GOLD POOL # C90706  
5.00% DTD 9/1/03 DUE 9/1/23  
31335HYB3

ACCOUNT: 29 01 001 1339800  
COMMUNITY BK OF SO IN-PLEDGE A/

NELSON COUNTY  
BOARD OF EDUCATION  
CODE # 4257

INSTRUCTIONS:

INT REG: 70 FED-MEM

ULT REG: 70 FED-MEM

HELD AT: 70 FED-MEM

STTL AT: 70 FED-MEM

 COPY

We will not be responsible to the pledgor (whether or not we have issued a safekeeping agreement expressly acknowledging the pledge) with respect to any income or principal reductions which are remitted to us prior to presentment and surrender of the security for payment, and the pledgor acknowledges that we have expressly agreed otherwise in writing. The pledgor understands that the par (original face) value or other information shown on the front of the Safekeeping Receipt may not reflect the market value of the security and further understands that some types of securities are subject to principal reductions or distributions prior to presentment and surrender of the security such that the par value may not reflect the outstanding principal balance of the security. The pledgor hereby acknowledges and agrees that the custodian is and shall be authorized to remit to the pledgor without further notice to or authorization from the pledgor, (i) all interest payments received by the custodian from time to time on all of the securities, and (ii) with respect to all mortgage-backed securities, if any, all principal payments or reductions received by the custodian from time to time on such securities. It shall be the sole responsibility of the pledgor and the pledgor not the custodian, to monitor from time to time the market value and remaining principal value of the securities, and the sufficiency and eligibility of the securities, with respect to the pledgor's collateralization requirements.

RELEASED BY: \_\_\_\_\_  
AUTHORIZED SIGNATURE

DATE: \_\_\_\_\_

First Tennessee Bank National Association  
Box 84 Safekeeping M-Level  
Memphis, TN 38101-0084  
(901) 523-4580 (Phone)  
(901) 523-4139 (Fax)