

**CHRISTIAN COUNTY SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2023**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
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## **INDEPENDENT AUDITORS' REPORT**

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Christian County School District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Christian County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension and postemployment benefits schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Christian County School District's internal control over financial reporting and compliance.

Duguid, Gentry & Associates, PSC

***Duguid, Gentry & Associates, PSC***

Certified Public Accountants  
Hopkinsville, Kentucky

October 25, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

As management of the Christian County School District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District’s financial performance.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. GASB Statement No. 68 addresses accounting and financials for pensions that are provided to employees through trusts that have defined characteristics. The District has implemented Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which requires reporting of the District’s Other Postemployment Benefits (“OPEB”) liability on the face of the financial statements and more extensive note disclosure and required supplementary information about OPEB liabilities. Cost-sharing governmental employers, such as the District, are required to report a new OPEB liability, OPEB expense and OPEB-related assets and liabilities based on their proportionate share of the collection amounts for all governments in the plan.

**FINANCIAL HIGHLIGHTS**

- The ending cash and investments balance for the District was \$63.6M in 2023 and \$49.8M in 2022.
- In total, net position increased \$16.5M. The net position of governmental activities increased \$15.9M, while the net position of business-type activities increased \$568K. Total assets were \$176M at June 30, 2023 compared to \$163M at June 30, 2022 and total liabilities were \$123M at June 30, 2023 compared to \$115M at June 30, 2022.
- Total revenues were \$131M for the year. General revenues accounted for \$67M, 51.22% of the total, while program specific revenues, in the form of charges for services and sales, grant and contributions accounted for \$64M or 48.78% of total revenues. The District incurred \$115M in total expenses.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-wide financial statements** – The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

The two government-wide statements report the District’s net position and how it has changed. Net position – the difference between the District’s assets plus deferred outflows of resources and the District’s liabilities plus deferred inflows of resources – is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, all the District’s activities are reported as governmental activities.

- Governmental activities – All the District’s basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of the activities.

**Fund financial statements** – The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has two kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – The District’s proprietary funds are Food Service and Day Care. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules, as listed in the table of contents.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets plus deferred outflows of resources were greater than liabilities plus deferred inflows of resources by \$58.3M at the close of the most recent fiscal year.

The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District’s net position, \$50.2M, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District’s net position \$41.3M, represents resources subject to external restrictions on how they may be used.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

Following is a summary of the District’s government-wide net position as of June 30, 2023 and 2022:

**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and other assets	\$ 64,849,840	\$ 50,927,239	\$ 4,435,854	\$ 3,825,135	\$ 69,285,694	\$ 54,752,374
Capital assets	106,551,677	107,495,528	231,376	333,587	106,783,053	107,829,115
Total assets	171,401,517	158,422,767	4,667,230	4,158,722	176,068,747	162,581,489
<b>Deferred outflows of resources</b>	20,416,080	12,787,394	1,253,941	727,734	21,670,021	13,515,128
<b>LIABILITIES</b>						
Current liabilities	5,868,688	4,699,479	997	35,732	5,869,685	4,735,211
Long-term debt	113,404,091	107,087,675	3,794,397	3,068,726	117,198,488	110,156,401
Total liabilities	119,272,779	111,787,154	3,795,394	3,104,458	123,068,173	114,891,612
<b>Deferred inflows of resources</b>	15,188,886	17,966,285	1,224,796	1,448,793	16,413,682	19,415,078
<b>NET POSITION</b>						
Investment in capital assets net of related debt	49,936,950	47,781,848	231,376	333,587	50,168,326	48,115,435
Restricted	41,255,856	34,635,134	-	-	41,255,856	34,635,134
Unrestricted	(33,836,874)	(40,960,260)	669,605	(382)	(33,167,269)	(40,960,642)
Total net position	\$ 57,355,932	\$ 41,456,722	\$ 900,981	\$ 333,205	\$ 58,256,913	\$ 41,789,927

The net pension liability (NPL) and the other postemployment benefits (OPEB) are the largest liabilities (other than outstanding bonds) reported by the District as of June 30, 2023. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District’s actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for-benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Changes in benefits, contribution rates and return on investments affect the balance of these liabilities but are outside the control of the local government.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

Following is a summary of changes in the District’s net position for the fiscal years ended June 30, 2023 and 2022:

**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ -	\$ -	\$ 463,698	\$ 389,948	\$ 463,698	\$ 389,948
Operating grants and contributions	51,384,064	41,237,870	7,367,211	7,032,664	58,751,275	48,270,534
Capital grants and contributions	4,740,261	5,184,365	-	-	4,740,261	5,184,365
General revenues						
Property taxes	19,081,483	17,947,104	-	-	19,081,483	17,947,104
Motor vehicle taxes	2,533,691	2,350,438	-	-	2,533,691	2,350,438
Utility taxes	5,097,467	4,616,115	-	-	5,097,467	4,616,115
Investment earnings	2,388,585	1,083,645	194,871	27,850	2,583,456	1,111,495
Gain (loss) on disposal of capital assets	149,245	(15,923)	(3,633)	(8,036)	145,612	(23,959)
State and formula grants	34,202,593	42,719,500	866,602	794,135	35,069,195	43,513,635
Donations/contributions	949,223	947,614	-	-	949,223	947,614
Extraordinary item	-	924,178	-	-	-	924,178
Miscellaneous	1,159,057	1,073,725	-	-	1,159,057	1,073,725
Total revenues	<u>121,685,669</u>	<u>118,068,631</u>	<u>8,888,749</u>	<u>8,236,561</u>	<u>130,574,418</u>	<u>126,305,192</u>
<b>EXPENSES</b>						
Instruction	62,935,864	58,083,295	-	-	62,935,864	58,083,295
Support services						
Student support	6,641,163	5,449,406	-	-	6,641,163	5,449,406
Instructional staff	3,505,636	2,484,993	-	-	3,505,636	2,484,993
District administrative	2,392,495	2,120,926	-	-	2,392,495	2,120,926
School administrative	5,935,577	5,426,539	-	-	5,935,577	5,426,539
Business	4,220,559	2,981,578	-	-	4,220,559	2,981,578
Plant operations and maintenance	11,194,878	10,409,950	-	-	11,194,878	10,409,950
Student transportation	6,209,945	5,916,173	-	-	6,209,945	5,916,173
Community service activities	1,009,144	879,540	-	-	1,009,144	879,540
Interest on long-term debt	1,748,036	2,541,081	-	-	1,748,036	2,541,081
Food service	-	-	7,283,736	6,275,975	7,283,736	6,275,975
Day care	472,656	321,226	557,743	157,096	1,030,399	478,322
Total expenses	<u>106,265,953</u>	<u>96,614,707</u>	<u>7,841,479</u>	<u>6,433,071</u>	<u>114,107,432</u>	<u>103,047,778</u>
Change in net position before transfers	15,419,716	21,453,924	1,047,270	1,803,490	16,466,986	23,257,414
Transfers in (out)	<u>479,494</u>	<u>412,558</u>	<u>(479,494)</u>	<u>(412,558)</u>	<u>-</u>	<u>-</u>
Change in net position after transfers	<u>\$ 15,899,210</u>	<u>\$ 21,866,482</u>	<u>\$ 567,776</u>	<u>\$ 1,390,932</u>	<u>\$ 16,466,986</u>	<u>\$ 23,257,414</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

The net position of the District’s governmental activities increased by \$15.9M. Net position reflects a positive balance of \$57.4M. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible.

**FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$59.2M, an increase of \$12.7M in comparison to the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements for the fiscal years ended June 30, 2023 and 2022.

The main sources of the General Fund’s revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the District’s activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the state, and expenditures of those grants for specific programs in accordance with the grants’ guidelines. In addition to the Special Revenue (Grant) Fund, the District has the Special Revenue District Activity Fund and the Special Revenue Student Activity Fund, which includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements.

The SEEK Capital Outlay Fund’s revenues are derived from state SEEK allowances based upon student enrollment. The FSPK Building Fund’s revenues are produced by a five-cent special property tax assessment and matching state funds. The use of both funds’ resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing.

The Debt Service Fund is used to account for all activities related to long-term obligations.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

Following is a summary of fund balances as of June 30, 2023 and 2022:

<u>Governmental Funds</u>	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
General Fund	\$ 18,365,621	\$ 12,285,620	\$ 6,080,001
Special Revenue Fund	176,653	296,423	(119,770)
Construction Fund	10,597,846	7,506,723	3,091,123
Debt Service Fund	23,939,047	22,262,685	1,676,362
Capital Outlay Fund	1,961,184	1,172,127	789,057
Building Fund	3,084,417	1,778,329	1,306,088
Student Activity Fund	628,164	723,228	(95,064)
District Activity Fund	453,230	454,767	(1,537)
Total governmental funds	<u>\$ 59,206,162</u>	<u>\$ 46,479,902</u>	<u>\$ 12,726,260</u>

**General Fund** – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17.1M, while total fund balance was \$18.4M. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 22.20% of the total General Fund expenditures, while total fund balance represents 23.82% of that same amount.

During the current fiscal year, the total fund balance of the General Fund increased by \$6.1M.

SEEK funding has been affected by the COVID-19 pandemic in various ways. SEEK allocations for the 2022-23 school year were based upon attendance data gathered in 2018-19 (the last regular school year of record prior to the pandemic). This has basically left SEEK funding in a stagnate state. The only change to SEEK funding is dictated by change in local property assessment and funding for full day kindergarten.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the District funds’ budgets are prepared to account for most transactions on a cash receipt/cash disbursement basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes are ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of 15.94%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The note accompanying the Budgetary Comparison Schedules in the Required Supplementary Information indicates the General Fund budget does not include \$22.2M of state payments on behalf of District employees for retirement and health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District’s total revenues for General Fund activities for the fiscal year ended June 30, 2023, excluding interfund transfers and beginning balances, were \$60.5M compared to the total budgeted revenues of \$55M.
- The District’s total expenditures for General Fund activities for the fiscal year ended June 30, 2023, excluding interfund transfers, were \$55M compared to the total budgeted expenditures of \$66M.

Significant Board action that impacts the finances includes limiting facility improvements and major purchases throughout the District.

Special Revenue Fund (Fund 2) is made up of state, local and federal grants. These grants include Title programs, IDEA B special education and preschool funding, Flex Focus state dollars and other grants. These funds have restricted use according to the guidelines for each. Expenditures include salaries and benefits, supplies, programming costs, travel and training costs.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The District has used those funds for debt service payments. The State contributes to those funds.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – At June 30, 2023, the District had \$106.8M invested in capital assets net of depreciation, historical cost totaled \$181.5M with accumulated depreciation totaling \$74.7M. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Funds in the amount of \$4.8M were expended on acquisition and improvements during the year. Depreciation charged to expense during the year totaled \$5.2M, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 4 to the financial statements.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

Following is a summary of capital assets, net of depreciation, as of June 30, 2023 and 2022:

**Net Capital Assets**

	Governmental Activities		Business-type Activities		District Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,342,737	\$ 8,891,105	\$ -	\$ -	\$ 8,342,737	\$ 8,891,105
Construction in progress	6,283,797	4,131,716	-	-	6,283,797	4,131,716
Land improvements	614,852	665,191	-	-	614,852	665,191
Buildings and improvements	83,275,657	86,501,969	-	-	83,275,657	86,501,969
Technology equipment	4,147,716	3,649,360	7,506	10,599	4,155,222	3,659,959
Vehicles	3,064,948	2,697,723	3,831	7,368	3,068,779	2,705,091
General equipment	821,970	958,464	220,039	315,620	1,042,009	1,274,084
<b>Total</b>	<b>\$ 106,551,677</b>	<b>\$ 107,495,528</b>	<b>\$ 231,376</b>	<b>\$ 333,587</b>	<b>\$ 106,783,053</b>	<b>\$ 107,829,115</b>

**Long-term Debt** – The District’s long-term general obligation bonds outstanding at June 30, 2023 were \$56.9M. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay \$11.6M of the bonds leaving the District to pay \$45.3M.

The State must approve the issuance of any new bonds of the District.

More detailed information about the District’s long-term liabilities may be found in Note 5 to the financial statements.

**OUTLOOK FOR THE FUTURE**

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District’s major source of revenue is state aid, primarily Kentucky SEEK funding. A factor in that SEEK formula is base funding driven by average daily attendance, and the District faces the challenges of very little growth in student enrollment each year. Also, as we look forward, we expect unfunded mandates and the national economy to have an impact on our District.

The District’s financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District’s Board. Though local property assessments continue to rise, the SEEK reduction that is based on the required 30-cent local levy on the assessments and our low property tax rate have not produced significant additional revenue for the District to substantially strengthen its financial position.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2023**

The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation, effectively managing our grant resources, controlling expenditures and seeking new sources of revenues.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District’s finances, comply with finance-related laws and regulations and demonstrate the District’s commitment to public accountability. Questions regarding this report should be directed to Jessica Darnell, Director of Finance at (270) 887-7000 or 200 Glass Avenue, Hopkinsville, KY 42240.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 36,143,838	\$ 4,259,094	\$ 40,402,932
Investments	23,236,695	-	23,236,695
Prepays	216,685	-	216,685
Inventory	-	98,576	98,576
Receivables			
Taxes	590,439	-	590,439
Other	819,538	-	819,538
Intergovernmental - indirect federal	3,596,808	78,184	3,674,992
Intergovernmental - direct federal	245,837	-	245,837
Capital assets			
Non-depreciable	14,626,534	-	14,626,534
Depreciable (net)	91,925,143	231,376	92,156,519
<b>Total assets</b>	<b>171,401,517</b>	<b>4,667,230</b>	<b>176,068,747</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	12,352,679	700,872	13,053,551
Pension related	8,063,401	553,069	8,616,470
<b>Total deferred outflows of resources</b>	<b>20,416,080</b>	<b>1,253,941</b>	<b>21,670,021</b>
<b>LIABILITIES</b>			
Accounts payable	476,795	997	477,792
Accrued interest	470,847	-	470,847
Unearned revenue	4,921,046	-	4,921,046
Long-term obligations			
Portion due or payable within one year			
Bonds payable	3,296,047	-	3,296,047
Compensated absences	299,075	-	299,075
Portion due or payable after one year			
Bonds payable	53,318,680	-	53,318,680
Compensated absences	713,872	-	713,872
Net OPEB liability	24,135,763	1,455,218	25,590,981
Net pension liability	31,640,654	2,339,179	33,979,833
<b>Total liabilities</b>	<b>119,272,779</b>	<b>3,795,394</b>	<b>123,068,173</b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION, continued  
JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	11,582,477	742,502	12,324,979
Pension related	3,606,409	482,294	4,088,703
Total deferred inflows of resources	15,188,886	1,224,796	16,413,682
<b>NET POSITON</b>			
Net investment in capital assets	49,936,950	231,376	50,168,326
Restricted	41,255,856	-	41,255,856
Unrestricted	(33,836,874)	669,605	(33,167,269)
Total net position	\$ 57,355,932	\$ 900,981	\$ 58,256,913

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
Instruction	\$ 62,935,864	\$ -	\$ 38,617,537	\$ -	\$ (24,318,327)	\$ -	\$ (24,318,327)
Support services							
Student	6,641,163	-	5,476,419	-	(1,164,744)	-	(1,164,744)
Instructional staff	3,505,636	-	1,673,438	-	(1,832,198)	-	(1,832,198)
District administration	2,392,495	-	191,839	-	(2,200,656)	-	(2,200,656)
School administration	5,935,577	-	1,868,443	-	(4,067,134)	-	(4,067,134)
Business	4,220,559	-	629,873	-	(3,590,686)	-	(3,590,686)
Plant operations and maintenance	11,194,878	-	454,557	-	(10,740,321)	-	(10,740,321)
Student transportation	6,209,945	-	992,885	-	(5,217,060)	-	(5,217,060)
Day care	472,656	-	-	-	(472,656)	-	(472,656)
Community service activities	1,009,144	-	1,479,073	-	469,929	-	469,929
Facilities acquisition and construction	-	-	-	2,332,439	2,332,439	-	2,332,439
Interest on long-term debt	1,748,036	-	-	2,407,822	659,786	-	659,786
<b>Total governmental activities</b>	<u>106,265,953</u>	<u>-</u>	<u>51,384,064</u>	<u>4,740,261</u>	<u>(50,141,628)</u>	<u>-</u>	<u>(50,141,628)</u>
<b>Business-type Activities</b>							
Food service	7,283,736	116,224	7,315,813	-	-	148,301	148,301
Day care	557,743	347,474	51,398	-	-	(158,871)	(158,871)
<b>Total business-type activities</b>	<u>7,841,479</u>	<u>463,698</u>	<u>7,367,211</u>	<u>-</u>	<u>-</u>	<u>(10,570)</u>	<u>(10,570)</u>
<b>Total activities</b>	<u>\$ 114,107,432</u>	<u>\$ 463,698</u>	<u>\$ 58,751,275</u>	<u>\$ 4,740,261</u>	<u>\$ (50,141,628)</u>	<u>\$ (10,570)</u>	<u>\$ (50,152,198)</u>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
	(50,141,628)	(10,570)	(50,152,198)
<b>General Revenues</b>			
Taxes			
Property	19,081,483	-	19,081,483
Motor vehicle	2,533,691	-	2,533,691
Utilities	5,097,467	-	5,097,467
Investment earnings	2,388,585	194,871	2,583,456
State grants	34,202,593	866,602	35,069,195
Student activities	949,223	-	949,223
Gain (loss) on sale of fixed assets	149,245	(3,633)	145,612
Miscellaneous	1,159,057	-	1,159,057
	65,561,344	1,057,840	66,619,184
Total general revenues			
Transfers in (out)	479,494	(479,494)	-
	15,899,210	567,776	16,466,986
Change in net position			
<b>Net position, beginning of year</b>	41,456,722	333,205	41,789,927
<b>Net position, end of year</b>	\$ 57,355,932	\$ 900,981	\$ 58,256,913

See accompanying notes to financial statements

**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
<b>ASSETS</b>						
Cash	\$ 11,604,571	\$ 1,720,681	\$ 6,810	\$ 10,604,842	\$ 12,206,934	\$ 36,143,838
Investments	-	-	23,236,695	-	-	23,236,695
Accounts receivable						
Taxes	590,439	-	-	-	-	590,439
Other	123,996	-	695,542	-	-	819,538
Interfund receivable	6,065,196	-	-	-	-	6,065,196
Intergovernmental - federal	-	3,596,808	-	-	-	3,596,808
Prepaid expenditures	216,685	-	-	-	-	216,685
<b>Total assets</b>	<b>\$ 18,600,887</b>	<b>\$ 5,317,489</b>	<b>\$ 23,939,047</b>	<b>\$ 10,604,842</b>	<b>\$ 12,206,934</b>	<b>\$ 70,669,199</b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET, continued  
JUNE 30, 2023**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 235,266	\$ 219,790	\$ -	\$ 6,996	\$ 14,743	\$ 476,795
Interfund payable	-	-	-	-	6,065,196	6,065,196
Unearned revenue	-	4,921,046	-	-	-	4,921,046
<b>Total liabilities</b>	<b>235,266</b>	<b>5,140,836</b>	<b>-</b>	<b>6,996</b>	<b>6,079,939</b>	<b>11,463,037</b>
Fund balances						
Nonspendable	216,685	-	-	-	-	216,685
Spendable						
Restricted	415,315	176,653	23,939,047	10,597,846	6,126,995	41,255,856
Committed	48,911	-	-	-	-	48,911
Assigned	570,138	-	-	-	-	570,138
Unassigned	17,114,572	-	-	-	-	17,114,572
<b>Total fund balances</b>	<b>18,365,621</b>	<b>176,653</b>	<b>23,939,047</b>	<b>10,597,846</b>	<b>6,126,995</b>	<b>59,206,162</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,600,887</b>	<b>\$ 5,317,489</b>	<b>\$ 23,939,047</b>	<b>\$ 10,604,842</b>	<b>\$ 12,206,934</b>	<b>\$ 70,669,199</b>

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Total fund balance per fund financial statements	\$ 59,206,162
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Amounts reported for governmental activities in the statement of net position are different because:

Interest receivable	245,837
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Capital assets used in governmental activities are not current financial resources and are not reported as assets in governmental funds. The cost of the assets is \$178,754,764 and the accumulated depreciation is \$72,203,087	106,551,677
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Pension and other postemployment benefit (OPEB) related items:	
Deferred outflows - OPEB	12,352,679
Deferred outflows - pension	8,063,401
Deferred inflows - OPEB	(11,582,477)
Deferred inflows - pension	(3,606,409)
Net OPEB liability	(24,135,763)
Net pension liability	(31,640,654)

Certain liabilities are not due and payable and are not reported in this fund financial statement, but they are presented in the statement of net position:	
Bonds payable (net of discounts/premiums)	(56,614,727)
Interest payable	(470,847)
Compensated absences	<u>(1,012,947)</u>

Net position for governmental activities	<u>\$ 57,355,932</u>
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See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
<b>REVENUES</b>						
From local sources						
Taxes						
Property	\$ 16,616,455	\$ -	\$ -	\$ -	\$ 2,465,028	\$ 19,081,483
Motor vehicle	2,533,691	-	-	-	-	2,533,691
Utilities	5,097,467	-	-	-	-	5,097,467
Investment earnings	1,187,661	-	980,820	139,879	80,225	2,388,585
Other local revenues	838,189	-	-	-	320,868	1,159,057
Student activities	-	-	-	-	949,223	949,223
Intergovernmental - state	56,085,467	9,643,908	1,016,738	-	2,332,439	69,078,552
Intergovernmental - federal	322,134	19,535,148	1,391,084	-	-	21,248,366
<b>Total revenues</b>	<b>82,681,064</b>	<b>29,179,056</b>	<b>3,388,642</b>	<b>139,879</b>	<b>6,147,783</b>	<b>121,536,424</b>
<b>EXPENDITURES</b>						
Current						
Instruction	44,395,486	16,957,269	-	-	1,462,345	62,815,100
Support services						
Student	3,070,531	3,565,625	-	-	4,638	6,640,794
Instructional staff	2,454,741	863,516	-	-	49,713	3,367,970
District administration	1,931,287	431	-	-	-	1,931,718
School administration	5,873,734	25,107	-	-	-	5,898,841
Business	3,282,841	937,442	-	-	-	4,220,283
Plant operations and maintenance	9,765,926	36,472	-	-	-	9,802,398
Student transportation	6,318,906	435,388	-	-	12,235	6,766,529
Day care operations	-	472,656	-	-	-	472,656
Community service activities	-	1,009,144	-	-	-	1,009,144
Facilities and construction	-	-	-	2,300,099	-	2,300,099
Debt service	-	-	4,874,123	-	-	4,874,123
<b>Total expenditures</b>	<b>77,093,452</b>	<b>24,303,050</b>	<b>4,874,123</b>	<b>2,300,099</b>	<b>1,528,931</b>	<b>110,099,655</b>

Continued  
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**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, continued  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
Excess (deficit) of revenues over (under) expenditures	5,587,612	4,876,006	(1,485,481)	(2,160,220)	4,618,852	11,436,769
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of fixed assets	810,000	-	-	-	-	810,000
Transfers in	484,640	165,703	3,161,843	5,251,343	271,243	9,334,772
Transfers (out)	(788,698)	(5,175,032)	-	-	(2,891,548)	(8,855,278)
Total other financing sources (uses)	505,942	(5,009,329)	3,161,843	5,251,343	(2,620,305)	1,289,494
Net change in fund balances	6,093,554	(133,323)	1,676,362	3,091,123	1,998,547	12,726,263
<b>Fund balances, beginning of year</b>	12,285,620	296,423	22,262,685	7,506,723	4,128,451	46,479,902
Prior period adjustment	(13,553)	13,553	-	-	-	-
<b>Fund balances, beginning of year, restated</b>	12,272,067	309,976	22,262,685	7,506,723	4,128,451	46,479,902
<b>Fund balances, end of year</b>	\$ 18,365,621	\$ 176,653	\$ 23,939,047	\$ 10,597,846	\$ 6,126,995	\$ 59,206,162

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds \$ 12,726,263

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlay in the current period.

Capital outlay	4,801,441
Depreciation expense	(5,084,537)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position. (660,755)

Bond proceeds are reported as other financing sources in governmental funds and contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of bond principal is an expenditure in the government funds financial statements but is a reduction of the liability in the statement of net position.

Bond repayments	3,145,000
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Some items reported in the statement of activities do not involve current financial resources and are not reported as expenditures in the governmental funds. These activities are:

Deferred other postemployment benefits	377,311
Deferred pension	750,967
Accumulated sick leave	(137,566)
Amortization of bond discounts/premiums	(46,046)
Accrued interest on bonds	27,132
	27,132

Change in net position of governmental activities	\$ 15,899,210
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See accompanying notes to financial statements

**PROPRIETARY FUNDS FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	School Food Service	Day Care	Total
<b>ASSETS</b>			
Current assets			
Cash	\$ 3,562,501	\$ 696,593	\$ 4,259,094
Accounts receivable	38,101	40,083	78,184
Inventory	98,576	-	98,576
Total current assets	3,699,178	736,676	4,435,854
Noncurrent assets			
Capital assets	2,748,727	-	2,748,727
Less: accumulated depreciation	(2,517,351)	-	(2,517,351)
Total noncurrent assets	231,376	-	231,376
Total assets	3,930,554	736,676	4,667,230
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	640,355	60,517	700,872
Pension related	506,207	46,862	553,069
Total deferred outflows of resources	1,146,562	107,379	1,253,941

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION, continued  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	School Food Service	Day Care	Total
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	882	115	997
Total current liabilities	882	115	997
Long-term liabilities			
Net OPEB liability	1,283,210	172,008	1,455,218
Net pension liability	2,015,405	323,774	2,339,179
Total long-term liabilities	3,298,615	495,782	3,794,397
Total liabilities	3,299,497	495,897	3,795,394
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	670,981	71,521	742,502
Pension related	446,491	35,803	482,294
Total deferred inflows of resources	1,117,472	107,324	1,224,796
<b>NET POSITION</b>			
Net investment in capital assets	231,376	-	231,376
Unrestricted	428,771	240,834	669,605
Total net position	\$ 660,147	\$ 240,834	\$ 900,981

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	School Food Service	Day Care	Total
<b>OPERATING REVENUES</b>			
Lunchroom sales	\$ 116,224	\$ -	\$ 116,224
Student fees	-	347,474	347,474
Total operating revenues	116,224	347,474	463,698
<b>OPERATING EXPENSES</b>			
Salaries and wages	3,155,463	85,632	3,241,095
Contract services	116,746	403,903	520,649
Materials and supplies	3,911,964	66,273	3,978,237
Depreciation	98,577	-	98,577
Other	986	1,935	2,921
Total operating expenses	7,283,736	557,743	7,841,479
Operating income (loss)	(7,167,512)	(210,269)	(7,377,781)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Federal grants	6,980,325	-	6,980,325
Donated commodities	539,129	-	539,129
State grants	47,382	280,091	327,473
State on-behalf payments	335,488	51,398	386,886
Gain (loss) on disposal of fixed asset	(3,633)	-	(3,633)
Interest income	194,871	-	194,871
Total non-operating revenues (expenses)	8,093,562	331,489	8,425,051
Transfers in	5,146	-	5,146
Transfers (out)	(484,640)	-	(484,640)
Change in net position	446,556	121,220	567,776
<b>Net position, beginning of year</b>	213,591	119,614	333,205
<b>Net position, end of year</b>	\$ 660,147	\$ 240,834	\$ 900,981

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	School Food Service	Day Care	Total
<b>Cash flows from operating activities</b>			
Cash received from			
Lunchroom sales	\$ 846,463	\$ -	\$ 846,463
Other activities	-	307,391	307,391
Cash paid to/for			
Employees	(2,844,235)	(34,505)	(2,878,740)
Materials and supplies	(3,353,761)	(92,817)	(3,446,578)
Other activities	(117,732)	(405,838)	(523,570)
<b>Net cash provided (used) by operating activities</b>	<b>(5,469,265)</b>	<b>(225,769)</b>	<b>(5,695,034)</b>
<b>Cash flows from noncapital financing activities</b>			
Federal grants	6,980,325	-	6,980,325
State grants	47,382	280,091	327,473
Transfers from other funds	5,146	-	5,146
Transfers to other funds	(484,640)	-	(484,640)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>6,548,213</b>	<b>280,091</b>	<b>6,828,304</b>
<b>Cash flows from investing activities</b>			
Receipt of interest income	194,871	-	194,871
<b>Net cash provided (used) by investing activities</b>	<b>194,871</b>	<b>-</b>	<b>194,871</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,273,819</b>	<b>54,322</b>	<b>1,328,141</b>
<b>Cash, beginning of year</b>	<b>2,288,682</b>	<b>642,271</b>	<b>2,930,953</b>
<b>Cash, end of year</b>	<b>\$ 3,562,501</b>	<b>\$ 696,593</b>	<b>\$ 4,259,094</b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS, continued  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	School Food Service	Day Care	Total
<b>Reconciliation of operating income to net cash provided from operating activities</b>			
Operating income (loss)	\$ (7,167,512)	\$ (210,269)	\$ (7,377,781)
<b>Adjustments to reconcile net operating revenues to net cash from operating activities</b>			
Depreciation	98,577	-	98,577
Donated commodities	539,129	-	539,129
On-behalf payments	335,488	51,398	386,886
Changes in assets and liabilities			
Accounts receivable	730,239	(40,083)	690,156
Prepaid expenses	-	3,360	3,360
Inventory	23,905	-	23,905
OPEB	96,692	1,079	97,771
Pension	(120,952)	(1,350)	(122,302)
Accounts payable	(4,831)	(29,904)	(34,735)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (5,469,265)</b>	<b>\$ (225,769)</b>	<b>\$ (5,695,034)</b>
<b>Schedule of non-cash transactions</b>			
Donated commodities from federal government	\$ 539,129	\$ -	\$ 539,129
On-behalf payments	335,488	51,398	386,886

See accompanying notes to financial statements

**NOTES TO FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Christian County Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Christian County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not a component unit of any other governmental “reporting entity”. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies, which may influence operations and primary accountability for fiscal matters.

The District’s financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61, sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

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

Based on the foregoing criteria, the financial statements of the Christian County School District Finance Corporation are included in the accompanying financial statements. In 1991, the Board authorized the establishment of the Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Christian County Board of Education also comprise the Corporation’s Board of Directors.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

*Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – Consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

The *General Fund* is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid. This is a major fund of the District.

The *Special Revenue Funds* account for proceeds of specific revenue sources (other than agency funds or major capital projects) that are legally restricted to disbursements for specified purposes.

The *Special Revenue (Grant) Fund* includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

The *Special Revenue District Activity Fund* includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements. Project accounting is employed to maintain integrity for the various sources of funds.

The *Special Revenue Student Activity Fund* accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

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

The *Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund* receives those funds designated by the state as capital outlay funds and is generally restricted for use in financing projects identified in the District's facility plan.

The *Facility Support Program of Kentucky Fund (FSPK)* accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.

The *Construction Fund* accounts for proceeds from sales of bonds and other revenue to be used for authorized construction. This is a major fund of the District.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes. This is a major fund of the District.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Proprietary Fund Types

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is on income determination, financial position and cash flows.

*Enterprise Funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District has the following enterprise funds:

The *School Food Service Fund* accounts for the food service operations of the District.

The *Day Care Fund* is used to account for day care operations of the District.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports a fiduciary fund which focuses on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Nonexchange Transactions

Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure to restricted fund balance and then to less restrictive classifications—committed, assigned and then unassigned fund balances.

The Significant Accounting Policies Followed by the District Include the Following:

**Cash and Cash Equivalents**

The District considers demand deposits, money market funds and time deposits that are nonnegotiable to be cash and cash equivalents for governmental, proprietary and fiduciary funds. This definition is also used for the proprietary funds' statements of cash flows.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Investments

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Property Taxes Receivable

Property taxes in the governmental funds are accounted for using the modified accrual basis of accounting.

Property taxes collected are recorded as revenues in the fund for which they were levied. Property taxes are levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes become delinquent after December 31.

The property tax rates for the year ended June 30, 2023, to finance the General Fund operations, were \$.422 per \$100 valuation for real property, \$.428 per \$100 valuation for business tangible personal property and \$.566 per \$100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3.00% of the gross receipts derived from furnishings, within the District, of telephonic and telegraphic communications services, cablevision services, electric power, water and natural, artificial and mixed gas.

Inventories

Inventories are valued at cost, which approximates market. The Food Service Fund uses the specific identification method, and the General Fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

Prepaid Expenditures

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

Restricted Assets

Certain assets of the General Fund are classified as restricted assets because their use is restricted by KRS 157.420(3).

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000 with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25-50 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	5-15 years
Food service equipment	5-12 years

Unearned Revenue

Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Debt Premiums and Discounts**

Unamortized premiums and discounts associated with bond issues are amortized over the lives of the related bonds using the straight-line method and are an addition (premium) or deduction (discount) to the debt balances in the government-wide statements.

**Compensated Absences**

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused sick leave up to a specified amount depending on their date of hire. Sick leave is payable to employees upon termination or retirement at 30.00% of the current rate of pay on the date of termination or retirement. The District uses the termination method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Long-term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

**Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, OPEB and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS), and Teachers' Retirement System of the State of Kentucky (KTRS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period, and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 11, the net OPEB liability described in Note 12 and the deferred amount on refunding of debt.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period, and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability described in Note 11 and the net OPEB liability described in Note 12.

Cash Flows

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – Amounts which cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Education intend to use for specific purposes. The authority to assign fund balances has been designated by the District's Board of Education to the Finance Director.

Unassigned – All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

**Net Position**

In proprietary funds, fiduciary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Interfund Activity**

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

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of certain financial statement balances. Actual results could differ from those estimates.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Subsequent Events

Subsequent events have been evaluated through October 25, 2023, which is the date the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. The District's cash deposits are covered by Federal Depository Insurance Corporation up to \$250,000 per financial institution, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. At June 30, 2023, the District's bank balance of \$41,533,426 was fully collateralized.

At June 30, 2023, the carrying amount of the District's cash and cash equivalents was \$40,402,932.

The carrying amounts are reflected in the financial statements as follows:

Governmental activities	\$ 36,143,838
Business-type activities	<u>4,259,094</u>
	<u>\$ 40,402,932</u>

**NOTE 3 – INVESTMENTS**

As of June 30, 2023, the District had an investment of \$23,236,695 in Natixis Funding Corporation Tri-party Repurchase Agreement. Natixis is a guaranteed investment contract used as a sinking reserve fund for the Series 2010A School Building Revenue Bonds.

Investment	Maturity	Rating	Fair Value
Natixis Funding Corporation	March 8, 2027	A2/P1	<u>\$ 23,236,695</u>
			<u>\$ 23,236,695</u>

Fair Value Measurement

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – INVESTMENTS, continued**

At June 30, 2023, the District had the following recurring fair value measurements:

Investments by fair value level	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Treasury Inflation Protected Securities Natixis Funding Corporation	\$ 23,236,695	\$ -	\$ -
Total investments at measured fair value	\$ 23,236,695	\$ -	\$ -

GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, require the District to address the following risks related to its investments:

Credit Risk – Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or of its agencies, obligations or any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and securities in mutual funds shall be eligible investments pursuant to this section. The District has no investment policy that would further limit its investment choices.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The District’s investment policy places no limit on the amount the District may invest in any one issuer.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 8,891,105	\$ -	\$ 548,368	\$ 8,342,737
Construction in progress	4,131,716	2,241,099	89,018	6,283,797
Total non-depreciable historical cost	<u>13,022,821</u>	<u>2,241,099</u>	<u>637,386</u>	<u>14,626,534</u>
Capital assets being depreciated				
Land improvements	1,312,247	-	-	1,312,247
Buildings and improvements	137,590,887	148,018	5,153	137,733,752
Technology equipment	8,742,842	1,530,844	1,276,094	8,997,592
Vehicles	11,362,584	928,735	-	12,291,319
General equipment	3,872,279	41,763	120,722	3,793,320
Total depreciable historical cost	<u>162,880,839</u>	<u>2,649,360</u>	<u>1,401,969</u>	<u>164,128,230</u>
Less: accumulated depreciation				
Land improvements	647,056	50,339	-	697,395
Buildings and improvements	51,088,918	3,372,595	3,418	54,458,095
Technology equipment	5,093,482	927,151	1,170,757	4,849,876
Vehicles	8,664,861	561,510	-	9,226,371
General equipment	2,913,815	172,942	115,407	2,971,350
Total accumulated depreciation	<u>68,408,132</u>	<u>5,084,537</u>	<u>1,289,582</u>	<u>72,203,087</u>
Total depreciable historical cost - net	<u>94,472,707</u>	<u>(2,435,177)</u>	<u>112,387</u>	<u>91,925,143</u>
Governmental activities capital assets - net	<u>\$ 107,495,528</u>	<u>\$ (194,078)</u>	<u>\$ 749,773</u>	<u>\$ 106,551,677</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS, continued**

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	
Instruction	\$ 2,821,649
Support services	
Student support	369
Instructional staff	100
District administration	460,777
School administration	36,736
Business support	276
Plant operation and maintenance	1,392,480
Transportation	<u>372,150</u>
	<u>\$ 5,084,537</u>

Construction commitments at June 30, 2023 were as follows:

<u>Project</u>	
MLK - Inspire ELA entryway	\$ 12,073
Consolidated High School	3,927,854
Pembroke Emergency Roof	<u>2,343,870</u>
	<u>\$ 6,283,797</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS, continued**

<u>Business-type Activities</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>
Capital assets being depreciated				
Technology equipment	\$ 15,949	\$ -	\$ -	\$ 15,949
Vehicles	17,684	-	-	17,684
Food service equipment	<u>2,785,644</u>	<u>-</u>	<u>70,551</u>	<u>2,715,093</u>
Total depreciable historical cost	<u>2,819,277</u>	<u>-</u>	<u>70,551</u>	<u>2,748,726</u>
Less: accumulated depreciation				
Technology equipment	5,350	3,093	-	8,443
Vehicles	10,316	3,537	-	13,853
Food service equipment	<u>2,470,024</u>	<u>91,948</u>	<u>66,918</u>	<u>2,495,054</u>
Total accumulated depreciation	<u>2,485,690</u>	<u>98,578</u>	<u>66,918</u>	<u>2,517,350</u>
Business-type activities capital assets - net	<u>\$ 333,587</u>	<u>\$ (98,578)</u>	<u>\$ 3,633</u>	<u>\$ 231,376</u>

**NOTE 5 – LONG-TERM OBLIGATIONS**

The various issues of school building revenue bonds are as follows:

<u>Issue Date</u>	<u>Original Proceeds</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>
2010A	\$ 27,445,000	2.68%	5/2/2022
2012	9,795,000	1.15% - 2.00%	8/1/2025
2014	12,530,000	2.00% - 3.50%	5/1/2034
2014E	15,240,000	2.00% - 3.75%	9/1/2034
2015	500,000	1.80% - 4.00%	5/1/2035
2018	1,535,000	3.50%	12/1/2038
2021	560,000	1.00% - 2.00%	4/1/2041

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 – LONG-TERM OBLIGATIONS, continued**

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

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

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

Fiscal Year Ending	Christian County School District		School Facilities Construction Commission		US Government Participation
	Principal	Interest	Principal	Interest	Interest
2024	\$ 2,438,539	\$ 656,845	\$ 811,461	\$ 212,476	\$ 1,475,169
2025	2,526,450	593,858	833,550	192,325	1,475,169
2026	2,610,597	528,513	764,403	172,571	1,475,169
2027	24,445,729	1,959,418	4,859,271	156,147	1,475,169
2028	1,474,881	441,210	465,119	142,598	-
2029-2033	8,630,091	1,412,871	2,529,909	470,667	-
2034-2038	3,194,246	117,011	1,120,754	95,239	-
2039-2041	-	-	175,000	5,300	-
	<u>\$ 45,320,533</u>	<u>\$ 5,709,726</u>	<u>\$ 11,559,467</u>	<u>\$ 1,447,323</u>	<u>\$ 5,900,676</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 – LONG-TERM OBLIGATIONS, continued**

A summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
General obligation debt	\$ 60,025,000	\$ -	\$ 3,145,000	\$ 56,880,000	\$ 3,250,000
Premiums (discounts)	(311,320)	-	(46,047)	(265,273)	46,047
Total bonds payable	<u>59,713,680</u>	<u>-</u>	<u>3,098,953</u>	<u>56,614,727</u>	<u>3,296,047</u>
Other liabilities					
Compensated absences	875,381	363,083	225,517	1,012,947	299,075
Net OPEB liability	18,897,911	5,237,852	-	24,135,763	-
Net pension liability	27,600,703	4,039,951	-	31,640,654	-
Total other liabilities	<u>47,373,995</u>	<u>9,640,886</u>	<u>225,517</u>	<u>56,789,364</u>	<u>299,075</u>
Total long-term liabilities	<u>\$ 107,087,675</u>	<u>\$ 9,640,886</u>	<u>\$ 3,324,470</u>	<u>\$ 113,404,091</u>	<u>\$ 3,595,122</u>
<b>Business-type activities</b>					
Other liabilities					
Net OPEB liability	\$ 1,387,492	\$ 67,726	\$ -	\$ 1,455,218	\$ -
Net pension liability	1,681,234	657,945	-	2,339,179	-
Total other liabilities	<u>\$ 3,068,726</u>	<u>\$ 725,671</u>	<u>\$ -</u>	<u>\$ 3,794,397</u>	<u>\$ -</u>

**NOTE 6 – COMPENSATED ABSENCES**

Upon retirement from the school system, employees will receive from the District an amount equal to 30.00% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year's economic financial resources. These amounts are recorded in the account "accrued sick leave payable" in the General Fund. Management has estimated that the amount for governmental activities will be approximately \$1,012,947, with \$299,075 considered the short-term portion and \$713,872 considered the long-term portion. There is no accrued sick leave liability for the business-type activities.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – FUND BALANCE REPORTING**

The following is a summary of designations of Fund Balance at June 30, 2023:

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
Nonspendable						
Prepays	\$ 216,685	\$ -	\$ -	\$ -	\$ -	\$ 216,685
Spendable						
Restricted						
Sick leave payable	415,315	-	-	-	-	415,315
Capital projects	-	-	-	10,597,846	5,045,601	15,643,447
Debt service	-	-	23,939,047	-	-	23,939,047
Technology	-	176,653	-	-	-	176,653
District activity funds	-	-	-	-	453,230	453,230
Student activity funds	-	-	-	-	628,164	628,164
Assigned						
Purchase obligations	570,138	-	-	-	-	570,138
Committed	48,911	-	-	-	-	48,911
Unassigned	17,114,572	-	-	-	-	17,114,572
	<u>\$ 18,365,621</u>	<u>\$ 176,653</u>	<u>\$ 23,939,047</u>	<u>\$ 10,597,846</u>	<u>\$ 6,126,995</u>	<u>\$ 59,206,162</u>

**NOTE 8 – TRANSFER OF FUNDS**

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
General Fund	District Activity	Student Fees	\$ 14,084
General Fund	School Activity	Student Fees	101,329
General Fund	Special Revenue	Technology	165,703
Special Revenue	Construction	Construction Projects	5,175,032
General Fund	Food Service	Staff Activities	5,146
General Fund	Debt Service	Debt Service Payments	502,436
School Activity	District Activity	Student Activities	155,830
Building Fund	Construction	Construction Projects	76,311
Building Fund	Debt Service	Debt Service Payments	2,659,407
School Food Service	General	Indirect Costs	484,640
District Activity Fund	Student Activity Fund	Student Activities	1,188
			<u>\$ 9,341,106</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 – DEFICIT OPERATING FUND BALANCES/EXCESS APPROPRIATIONS**

There are no funds of the District that currently have a deficit fund balance.

The School Activity Fund experienced a net decrease in fund balance by (\$95,063). The District Activity Fund experienced a net decrease in fund balance by (\$1,536). The Special Revenue Fund experienced a net decrease in the fund balance by (\$119,770).

Expenditures exceed appropriations in the Debt Service Fund by \$808,777. These over expenditures were funded by greater than anticipated revenues in that fund.

**NOTE 10 – ON-BEHALF PAYMENTS**

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2023:

Health insurance	\$ 8,861,244
Life insurance	13,919
Administrative fee	111,196
Health reimbursement account - HRS/dental/vision	<u>599,987</u>
	9,586,346
Federal reimbursements of health benefits	<u>(1,670,372)</u>
	7,915,974
KTRS OPEB and pension	14,483,115
Technology	192,807
SFCC debt service	<u>1,016,738</u>
	<u><u>\$ 23,608,634</u></u>

The District is not legally responsible for these contributions. These payments are not required to be budgeted by the District. The total of these payments has been included in revenues and the applicable expenditure functions in these financial statements as follows:

Governmental activities	
General Fund	\$ 22,205,010
Debt Service Fund	1,016,738
Business-type activities	
Food Service Fund	335,488
Day Care Fund	<u>51,398</u>
	<u><u>\$ 23,608,634</u></u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS**

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

**General Information about the County Employees Retirement System Non-Hazardous (“CERS”)**

*Plan description* – Employees who positions do not require a degree beyond a high school diploma are covered by CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

*Benefits provided* – CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement  Required contributions	Before September 1, 2008 27 years’ service or 65 years old At least 5 years’ service and 55 years old At least 25 years’ service and any age 5.00%
Tier 2	Participation date Unreduced retirement  Reduced retirement Required contributions	September 1, 2008 – December 31, 2013 At least 5 years’ service and 65 years old or age 57+ and sum of service years plus age equal 87 At least 10 years’ service and 60 years old 5.00% + 1.00% for insurance
Tier 3	Participation date Unreduced retirement  Reduced retirement Required contributions	After December 31, 2013 At least 5 years’ service and 65 years old or age 57+ and sum of service years plus age equal 87 Not available 5.00% + 1.00% for insurance

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

*Contributions* – Per Kentucky Revised Statute 61.565, normal contribution and past service contribution rates shall be determined by the Board of Trustees of the Kentucky Public Pensions Authority on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. For the year ended June 30, 2022, plan members were required to contribute 5% of their annual creditable compensation. Plan members hired subsequent to September 1, 2008 were required to contribute 6% of their annual creditable compensation. The District is required to contribute at an actuarial determined rate. For the fiscal year ended June 30, 2023, participating employers contributed 23.40% of each employee's creditable compensation.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a liability of \$33,979,833 for its proportionate share of the net pension liability. The net pension liability of the plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.470048%.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

For the measurement period ended June 30, 2022, the District recognized pension expense of \$2,656,360. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,329	\$ 302,605
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,623,637	3,752,518
Changes in proportion and difference between District contributions and proportionate share of contributions	590,811	33,580
District contributions subsequent to the measurement date	<u>3,365,693</u>	<u>-</u>
Total	<u>\$ 8,616,470</u>	<u>\$ 4,088,703</u>

For the year ended June 30, 2023, \$3,365,693 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30</u>	
2023	\$ 214,239
2024	268,089
2025	(285,547)
2026	965,293
2027	-
Thereafter	<u>-</u>
Total	<u>\$ 1,162,074</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

*Actuarial assumptions* – For financial reporting, the actuarial valuation as of June 30, 2022 was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2020. The total pension liability was rolled forward from the valuation date (June 30, 2020) to the plan’s fiscal year ending June 30, 2022, using generally accepted actuarial principles.

There have been no actuarial assumption or method changes since June 30, 2020. Additionally, there have been no plan provision changes that would materially affect the total pension liability since June 30, 2021.

Based on the June 30, 2020 actuarial valuation report, the actuarial methods and assumptions used to calculate the required contributions are below.

Determined by the Actuarial Valuation as of:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method:	Level percent of pay
Amortization Period:	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Investment Return:	6.25%
Inflation:	2.30%
Salary Increases:	3.30% to 10.30%, varies by service
Mortality:	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-in provision:	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

*Long-term rate of return* – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equity	50.00%	4.45%
Private equity	10.00%	10.15%
Core bonds	10.00%	28.00%
High yield	10.00%	2.28%
Real estate	7.00%	3.67%
Real return	13.00%	4.07%
Cash	0.00%	-0.91%
<b>Total</b>	<b>100.00%</b>	

*Discount rate* – The discount rates used to measure the total pension liability for the measurement period with year ended June 30, 2022 was 6.25%. The projection of cash flows used to determine the discount rate of 6.25% for CERS non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as amended by House Bill 362 (passed in 2018) over the remaining 30 years (closed) amortization period of the unfunded actuarial accrued liability.

The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report (ACFR).

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

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

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
District’s proportionate share of net pension liability	\$ 42,470,576	\$ 33,979,833	\$ 26,957,285

*Pension plan fiduciary net position* – Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports of CERS.

*Payable to the pension plan* – At June 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**General Information about the Teachers’ Retirement System of the State of Kentucky (KTRS) Pension Plan**

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

*Benefits provided* – For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, employees must either:

1. Attain age fifty-five (55) and complete five (5) years of Kentucky service, or
2. Complete 27 years of Kentucky service.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

Participants who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to 2.00% (service prior to July 1, 1983) and 2.50% percent (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2.00% of their final average salary for each year of service if, upon retirement, their total service was less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.50% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.50% to 3.00% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

Participants hired on or after January 1, 2022, condition for retirement attainment age of fifty-seven (57) and ten (10) year of service or age sixty-five (65) and five (5) years of service. The annual foundational benefit for non-university participants is equal to service times a multiplier times final average salary. The multiplier ranges from 1.70% to 2.40% based on age and years of service.

Age	Years of Service			
	5-9.99	10-19.99	20-29.99	30 or more
57-60	-	1.70%	1.95%	2.20%
61	-	1.74%	1.99%	2.24%
62	-	1.78%	2.03%	2.28%
63	-	1.82%	2.07%	2.32%
64	-	1.86%	2.11%	2.36%
65 and over	1.90%	1.90%	2.15%	2.40%

The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the participant would have completed 30 years of service.

Final average salary is defined as the member's five (5) highest salaries for those with less than 27 years of service. Members at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. KTRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled members.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

*Contributions* – Contribution rates are established by Kentucky Revised Statutes (KRS). For members who began participating before January 1, 2022, non-university members are required to contribute 12.855% of their salaries to the System. For members employed by local school districts, the Commonwealth of Kentucky, as a non-employer contributing entity, contributes 13.105% of salaries for those who joined before July 1, 2008 and 14.105% for those who joined on or after July 1, 2008, and before January 1, 2022. For members who began participating on or after January 1, 2022, non-university members contribute 14.75% of their salaries to the system. Employers of non-university members, including the Commonwealth of Kentucky, as a non-employer contributing entity, contribute 10.75% of salaries. For local school district and regional cooperative members whose salaries are federally funded, the employer contributes 16.105% of salaries. If a member leaves covered employment before accumulating five (5) years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

At June 30, 2023, the District did not report a liability for its proportionate share of the net pension liability, because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District:

Commonwealth's proportionate share of KTRS net pension liability associated with the District	<u>\$ 155,371,571</u>
	<u>\$ 155,371,571</u>

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2021 to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary.

For the measurement period ended June 30, 2022, the District recognized pension expense of \$5,666,987 and revenue of \$5,666,987 for support provided by the State in the government-wide statements.

*Actuarial assumptions* – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment rate of return	7.10%, net of pension plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%
Municipal bond index rate	2.13%
Single equivalent interest rate	7.10%

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS, continued**

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the TRS Board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equity	40.00%	8.90%
International equity	22.00%	10.70%
Fixed income	15.00%	-0.10%
Additional categories	7.00%	3.90%
Real estate	7.00%	4.00%
Private equity	7.00%	6.90%
Cash	2.00%	-0.03%
Total	<u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of KTRS.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Deferred Compensation**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement that do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements.

**General Information about the County Employees Retirement System Non-Hazardous (CERS) OPEB Plan**

*Plan description* – The Kentucky Public Pensions Authority (KPPA) Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from KERS and CERS. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to the members of that plan and the administrative costs incurred by those receiving an insurance benefit.

*Benefits provided* – The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Post-Employment Benefits (OPEB) plan that covers substantially all regular full-time members employed in positions of each participating county, city and school board and any additional eligible local agencies electing to participate in the System. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

*Implicit subsidy* – KPPA pays fully insured premiums for the Kentucky Health Plan. The premiums are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 74 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

*Contributions* – The Commonwealth is required to contribute at an actuarially determined rate for KERS. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3) and CERS 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS. For the year ended June 30, 2023, required contribution was 3.39% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2023 was \$487,594.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

At June 30, 2023, the District reported a liability of \$9,274,981 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan’s fiscal year end, June 30, 2022, using generally accepted actuarial principles. The District’s proportion of the net OPEB liability was based on the District’s share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2023, the District’s proportion was 0.469973%.

For the measurement period ended June 30, 2022, the District recognized OPEB expense of \$1,264,089.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 933,604	\$ 2,126,968
Changes of assumptions	1,466,903	1,208,720
Net difference between projected and actual earnings on OPEB plan investments	1,727,097	1,350,649
Changes in proportion and difference between District contributions and proportionate share of contributions	138,803	357,642
District contributions subsequent to the measurement date	<u>487,594</u>	<u>-</u>
Total	<u>\$ 4,754,001</u>	<u>\$ 5,043,979</u>

For the year ended June 30, 2023, \$487,594 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Years Ending June 30	
2023	\$ (159,587)
2024	(147,356)
2025	(544,823)
2026	74,194
2027	-
Thereafter	<u>-</u>
Total	<u>\$ (777,572)</u>

*Actuarial assumptions*

The total OPEB liability, net OPEB liability and sensitivity information for the actuarial valuation as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total OPEB liability was rolled forward from the valuation date (June 30, 2020) to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018 and the Board adopted updated assumptions for first use in the June 30, 2020 actuarial valuation. The assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. There were no other material assumption changes.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Determine by the	
Actuarial Valuation as of:	June 30, 2020
Actuarial Cost Method	Entry age normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method	Level percent of pay
Amortization Period	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Investment Rate of Return	6.25%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Mortality:	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Healthcare Cost Trend Rates (Pre-65)	Initial trend starting at 6.40% at January 1, 2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Healthcare Cost Trend Rates (Post-65)	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement. Additionally, Humana provided "Not to Exceed" 2022 Medicare premiums, which were incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022.

Senate Bill 209 passed during the 2022 legislative session and increased the insurance dollar contribution for members hired on or after July 1, 2003 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

*Long-term expected rate of return* – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Core Bonds	10.00%	28.00%
High yield	10.00%	2.28%
Real estate	7.00%	3.67%
Real return	13.00%	4.07%
Cash	0.00%	-0.91%
 Total	 <u>100.00%</u>	

*Discount rate* – Single discount rates used to measure the total OPEB liability for the year ended June 30, 2022 was 5.70% for CERS Non-hazardous plans. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 1.92%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan’s fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans’ actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans’ trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

*Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate* – The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.70%	5.70%	6.70%
District's proportionate share of net OPEB liability	\$ 12,399,171	\$ 9,274,981	\$ 6,692,317

*Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates* – The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 6,895,742	\$ 9,274,981	\$ 12,131,998

*OPEB plan fiduciary net position* – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Kentucky Public Pensions Authority’s Comprehensive Annual Financial Report on the KPPA website at [www.kyret.ky.gov](http://www.kyret.ky.gov).

*Payable to the OPEB plan* – At June 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the CERS OPEB plan required for the year ended June 30, 2023.

**General Information about the Teachers’ Retirement System of Kentucky (KTRS) OPEB Plan**

*Plan description* – Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers’ Retirement System of the State of Kentucky (“TRS”)—a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (“KRS”). TRS is a blended component unit of the Commonwealth of Kentucky and, therefore, is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

**Medical Insurance Plan**

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

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

*Contributions* – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three-quarters percent (3.75%) is paid by member contributions, three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2023, the District reported a liability of \$16,316,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.657233%.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

District's proportionate share of net OPEB liability	\$ 16,316,000
State's proportionate share of net OPEB liability associated with the District	<u>5,360,000</u>
 Total	 <u>\$ 21,676,000</u>

For the measurement period ended June 30, 2022, the District recognized OPEB expense of (\$439,000) and revenue of \$390,000 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,859,000
Changes of assumptions	3,314,000	-
Net difference between projected and actual earnings on OPEB plan investments	867,000	-
Changes in proportion and difference between District contributions and proportionated share of contributions	3,190,000	422,000
District contributions subsequent to the measurement date	<u>928,550</u>	<u>-</u>
 Total	 <u>\$ 8,299,550</u>	 <u>\$ 7,281,000</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$928,550 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Years Ending June 30	
2024	\$ (637,000)
2025	(512,000)
2026	(348,000)
2027	762,000
2028	584,000
Thereafter	<u>241,000</u>
Total	<u>\$ 90,000</u>

*Actuarial assumptions* – The total KTRS OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Projected salary increases	3.00 - 7.50%, including inflation
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Municipal Bond Index Rate	3.37%
Healthcare cost trend rates	
Under 65	7.00% for FYE 2022 decreasing to an ultimate rate of 4.50% by FY 2032
Ages 65 and older	5.125% for FYE 2022 decreasing to an ultimate rate of 4.50% by FY 2025
Medicare Part B premiums	6.97% for FYE 2022 with an ultimate rate of 4.50% by 2034

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the TRS board on September 20, 2021. The remaining actuarial assumptions used in the June 30, 2020 valuation of the health trust were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation. The healthcare cost trend assumption was updated for the June 30, 2020 valuation and was shown as an assumption change in the TOL roll forward. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58.00%	5.10%
Fixed income	9.00%	-0.10%
Real estate	6.50%	4.00%
Private equity	8.50%	6.90%
Other additional categories	17.00%	3.90%
Cash (LIBOR)	1.00%	-0.30%
 Total	 <u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan’s fiduciary net position was not projected to be depleted.

*Sensitivity of the District’s proportionate share of the collective net OPEB liability to changes in the discount rate* – The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 20,471,000	\$ 16,316,000	\$ 12,876,000

*Sensitivity of the District’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates* – The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 12,232,000	\$ 16,316,000	\$ 21,396,000

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

**Life Insurance Plan**

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

*Benefits provided* – TRS provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$10,000 for its members who retire based on service or disability if hired on or after January 1, 2022. TRS provides a life insurance benefit of \$2,000 payable for its active contributing members if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$5,000 payable for its active contributing members if hired on or after January 1, 2022. The life insurance benefit is payable upon the death of the member to the member’s estate or to a party designated by the member.

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

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

At June 30, 2023, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amounts recognized by the District as its proportionate share of the OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	267,000
Total	\$ 267,000

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

For the year ended June 30, 2023, the District recognized OPEB expense of \$0 and revenue of \$0 for support provided by the State in the government-wide financial statements.

*Actuarial assumptions* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Municipal bond index rate	3.37%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Asset Class	Target Allocation	Geometric Real Rate of Return
US equity	40.00%	4.40%
International equity	23.00%	5.60%
Fixed income	18.00%	-0.10%
Real estate	6.00%	4.00%
Private equity	5.00%	6.90%
Other additional categories	6.00%	2.10%
Cash (LIBOR)	2.00%	-0.30%
<b>Total</b>	<b>100.00%</b>	

*Discount rate* – The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF’s fiduciary net position was not projected to be depleted.

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

**NOTE 13 – CONTINGENCIES**

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

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 – INSURANCE AND RELATED ACTIVITIES**

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

**NOTE 15 – RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions and general liability coverage, the District purchases commercial insurance.

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

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial statements.

**NOTE 16 – COBRA**

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

The District has notified all terminated employees of available continuing insurance coverage as mandated by COBRA.

**NOTE 17 – INTERFUND RECEIVABLES AND PAYABLES**

There were interfund receivables in the General Fund with offsetting interfund payables in the District Activity Fund of \$2,901,946 and in the School Activity Fund of \$3,163,250 at June 30, 2023.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS**

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement took effect for the fiscal year ended June 30, 2023. Based on the SBITA amounts obtained, the total present value was below the materiality level and no amounts were recorded in the financial statements.

In June 2022, the GASB issued Statement 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. GASB 100 prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement 101, *Compensated Absences*. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

**NOTE 19 – PRIOR PERIOD ADJUSTMENT**

General Fund and Special Revenue Fund beginning fund balances were adjusted by \$13,553 to move IDEA B grant funds as a result of Kentucky Department of Education monitoring visit.

**NOTE 20 – SUBSEQUENT EVENT**

September 8, 2023, the District issued bonds in the amount of \$80M to fund the construction of the new Christian County High School. District savings and grant funds will supplement the additional funding required for the project costs.

September 19, 2023, the District broke ground for the new Christian County High School. The school is scheduled to open for the 2026-27 academic year. The estimated construction cost of the new high school is \$106 million.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
From local sources				
Taxes				
Property	\$ 13,020,000	\$ 14,120,000	\$ 16,616,455	\$ 2,496,455
Motor vehicle	1,700,000	1,700,000	2,533,691	833,691
Utilities	4,300,000	4,600,000	5,097,467	497,467
Earnings on investments	200,000	150,000	1,187,661	1,037,661
Other local revenues	835,000	760,000	838,189	78,189
Intergovernmental - state	32,328,581	33,408,420	33,880,459	472,039
Intergovernmental - federal	250,000	250,000	322,134	72,134
	<u>52,633,581</u>	<u>54,988,420</u>	<u>60,476,056</u>	<u>5,487,636</u>
<b>EXPENDITURES</b>				
Current				
Instruction	26,896,868	27,250,866	27,199,061	51,805
Support services				
Student	1,746,302	2,004,326	2,138,896	(134,570)
Instructional staff	2,217,805	2,074,448	1,881,950	192,498
District administration	1,622,212	1,724,332	1,739,448	(15,116)
School administration	3,839,020	4,049,453	4,037,293	12,160
Business	2,695,235	2,865,889	2,652,968	212,921
Plant operations and maintenance	8,572,099	8,959,780	9,357,857	(398,077)
Student transportation	6,129,047	6,936,536	5,880,971	1,055,565
Contingency	10,727,460	10,593,123	-	10,593,123
	<u>64,446,048</u>	<u>66,458,753</u>	<u>54,888,444</u>	<u>11,570,309</u>
Excess (deficit) of revenues over (under) expenditures	<u>(11,812,467)</u>	<u>(11,470,333)</u>	<u>5,587,612</u>	<u>17,057,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of fixed assets	10,000	10,000	810,000	800,000
Transfers in	300,000	400,000	484,640	84,640
Transfers (out)	(763,314)	(784,436)	(788,698)	(4,262)
	<u>(453,314)</u>	<u>(374,436)</u>	<u>505,942</u>	<u>880,378</u>
Total other financing sources (uses)	<u>(453,314)</u>	<u>(374,436)</u>	<u>505,942</u>	<u>880,378</u>
Net change in fund balance	(12,265,781)	(11,844,769)	6,093,554	17,938,323
<b>Fund balance, beginning of year</b>	<u>12,265,781</u>	<u>11,844,769</u>	<u>12,285,620</u>	<u>440,851</u>
Prior period adjustment	-	-	(13,553)	(13,553)
<b>Fund balance, beginning of year, restated</b>	<u>12,265,781</u>	<u>11,844,769</u>	<u>12,272,067</u>	<u>427,298</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,365,621</u>	<u>\$ 18,365,621</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
From local sources				
Intergovernmental - state	\$ 3,634,716	\$ 10,907,726	\$ 9,643,908	\$ (1,263,818)
Intergovernmental - indirect federal	59,649,669	54,416,336	19,535,148	(34,881,188)
<b>Total revenues</b>	<u>63,284,385</u>	<u>65,324,062</u>	<u>29,179,056</u>	<u>(36,145,006)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	26,145,066	21,149,391	16,957,269	4,192,122
Support services				
Student	7,503,400	6,374,386	3,565,625	2,808,761
Instructional staff	828,136	2,219,905	863,516	1,356,389
District administration	-	314,059	431	313,628
School administration	293,540	38,627	25,107	13,520
Business	-	1,116,287	937,442	178,845
Plant operations and maintenance	26,035,435	25,261,023	36,472	25,224,551
Student transportation	478,115	2,656,097	435,388	2,220,709
Day care operations	1,282,613	1,076,645	472,656	603,989
Community service activities	883,080	1,008,630	1,009,144	(514)
<b>Total expenditures</b>	<u>63,449,385</u>	<u>61,215,050</u>	<u>24,303,050</u>	<u>36,912,000</u>
Excess (deficit) of revenues over (under) expenditures	<u>(165,000)</u>	<u>4,109,012</u>	<u>4,876,006</u>	<u>766,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	165,000	165,703	165,703	-
Transfers (out)	-	(28,700,427)	(5,175,032)	23,525,395
<b>Total other financing sources (uses)</b>	<u>165,000</u>	<u>(28,534,724)</u>	<u>(5,009,329)</u>	<u>23,525,395</u>
Net change in fund balance	-	(24,425,712)	(133,323)	24,292,389
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>296,423</u>	<u>296,423</u>
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>13,553</u>	<u>13,553</u>
<b>Fund balance, beginning of year, restated</b>	<u>-</u>	<u>-</u>	<u>309,976</u>	<u>309,976</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ (24,425,712)</u>	<u>\$ 176,653</u>	<u>\$ 24,602,365</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
From local sources				
Earnings on investments	\$ -	\$ -	\$ 980,820	\$ 980,820
Intergovernmental - state	1,358,013	987,588	1,016,738	29,150
Intergovernmental - federal	-	-	1,391,084	1,391,084
<b>Total revenues</b>	<b>1,358,013</b>	<b>987,588</b>	<b>3,388,642</b>	<b>2,401,054</b>
<b>EXPENDITURES</b>				
Current				
Debt service	4,370,580	4,065,346	4,874,123	(808,777)
<b>Total expenditures</b>	<b>4,370,580</b>	<b>4,065,346</b>	<b>4,874,123</b>	<b>(808,777)</b>
Excess (deficit) of revenues over (under) expenditures	(3,012,567)	(3,077,758)	(1,485,481)	1,592,277
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,012,567	3,077,758	3,161,843	84,085
<b>Total other financing sources (uses)</b>	<b>3,012,567</b>	<b>3,077,758</b>	<b>3,161,843</b>	<b>84,085</b>
Net change in fund balance	-	-	1,676,362	1,676,362
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>22,262,685</b>	<b>22,262,685</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,939,047</b>	<b>\$ 23,939,047</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – CONSTRUCTION FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
From local sources				
Earnings on investments	\$ -	\$ 98,259	\$ 139,879	\$ 41,620
Total revenues	-	98,259	139,879	41,620
<b>EXPENDITURES</b>				
Current				
Facilities and construction	-	100,382,653	2,300,099	98,082,554
Total expenditures	-	100,382,653	2,300,099	98,082,554
Excess (deficit) of revenues over (under) expenditures	-	(100,284,394)	(2,160,220)	98,124,174
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	81,140,000	-	(81,140,000)
Transfers in	-	25,835,739	5,251,343	(20,584,396)
Total other financing sources (uses)	-	106,975,739	5,251,343	(101,724,396)
Net change in fund balance	-	6,691,345	3,091,123	(3,600,222)
<b>Fund balance, beginning of year</b>	-	-	7,506,723	7,506,723
<b>Fund balance, end of year</b>	\$ -	\$ 6,691,345	\$ 10,597,846	\$ 3,906,501

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET AND ACTUAL  
JUNE 30, 2023**

**NOTE 1 – BUDGETARY INFORMATION**

The District’s budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary accounting method and GAAP are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy and from estimates of other Local, State and Federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay and other necessary expenses. The budget must be approved by the Board.

The District must formally and publicly examine estimated revenues and expenditures for the subsequent fiscal year by January 31 of each calendar year.

The District must prepare an annual allocation to schools by March 1 of each year for the following fiscal year. This allocation must include the amount for certified and classified staff based on the District’s staffing policy and the amount for instructional supplies, materials, travel and equipment.

The District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each year. This budget must contain a minimum 2.00% contingency.

The budget presented for General Fund does not include on-behalf payments provided by the Kentucky State Department of Education. The following table reconciles the budgetary basis to the modified cash basis of revenues.

Revenues - budgetary basis	\$ 60,476,056
On-behalf payments	<u>22,205,008</u>
 Total revenues - modified cash basis	 <u><u>\$ 82,681,064</u></u>
 Expenditures - budgetary basis	 \$ 54,888,444
On-behalf payments	<u>22,205,008</u>
 Total expenditures - modified cash basis	 <u><u>\$ 77,093,452</u></u>

Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of the current fiscal year.

The Board has the ability to amend the working budget. The working budget was amended during the year only to reflect changes in SEEK allocations and/or grant funds.

All budget appropriations lapse at year-end.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>As of June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0.470048%	0.459268%	0.4599680%	0.4733390%	0.496569%	0.511619%	0.536890%	0.542749%	0.554993%
District's proportionate share of net pension liability	\$ 33,979,833	\$ 29,281,937	\$ 35,279,165	\$ 33,290,143	\$ 30,242,566	\$ 29,946,633	\$ 26,434,638	\$ 23,335,624	\$ 18,408,000
District's covered-employee payroll	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602	\$ 12,898,133	\$ 12,764,635	\$ 12,861,980
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	257.19%	247.57%	297.52%	276.32%	243.80%	238.19%	204.95%	182.81%	143.12%
Plan fiduciary net position as a percentage of total pension liability	52.42%	57.33%	47.81%	50.45%	54.54%	53.32%	55.50%	59.97%	66.80%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>For the year ended June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,365,693	\$ 2,796,972	\$ 2,282,758	\$ 2,288,535	\$ 1,954,165	\$ 1,796,174	\$ 2,348,549	\$ 2,200,279	\$ 2,255,739
Contributions in relation to the contractually required contribution	<u>3,365,693</u>	<u>2,796,972</u>	<u>2,282,758</u>	<u>2,288,535</u>	<u>1,954,165</u>	<u>1,796,174</u>	<u>2,348,549</u>	<u>2,200,279</u>	<u>2,255,739</u>
Contribution deficiency (excess)	<u>\$ -</u>								
District's covered-employee payroll	\$ 14,383,304	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602	\$ 12,898,133	\$ 12,764,635
Contributions as a percentage of covered-employee payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	18.68%	17.08%	17.67%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

Changes in benefit terms

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

2022: No changes in benefit terms.  
2021: No changes in benefit terms.  
2020: No changes in benefit terms.  
2019: No changes in benefit terms.  
2018: No changes in benefit terms.  
2017: No changes in benefit terms.  
2016: No changes in benefit terms.  
2015: No changes in benefit terms.

Changes in assumptions

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

2022: No changes.

2021: During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who became “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021 is determined using these updated benefit provisions.

2020: During the legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not affect the calculation of Total Pension Liability and only affects the calculation of the contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted with removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the total pension liability to reflect this legislation.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled “Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018”. The total pension liability as of June 30, 2019 is determined using these updated assumptions.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

**Changes of Assumptions (Continued)**

2018: During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The total pension liability as of June 30, 2018 is determined using these updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the total pension liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2016: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the total pension liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2015: No changes in assumptions.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
KENTUCKY TEACHERS' RETIREMENT SYSTEMS (KTRS)**

<u>As of June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 155,371,571	\$ 131,387,256	\$ 143,372,653	\$ 138,561,618	\$ 139,896,567	\$ 294,075,755	\$ 326,809,865	\$ 266,330,000	\$ 245,893,739
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 35,024,203	\$ 36,418,731	\$ 36,604,139	\$ 37,056,997	\$ 37,547,224	\$ 37,503,276
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	56.41%	65.59%	58.27%	58.76%	59.30%	39.83%	35.22%	42.49%	45.59%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION  
KENTUCKY TEACHERS' RETIREMENT SYSTEMS (KTRS)**

<u>For the year ended June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>								
District's covered-employee payroll	\$ 30,951,520	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 35,024,203	\$ 36,418,731	\$ 36,604,139	\$ 37,056,997	\$ 37,547,224
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
KENTUCKY TEACHERS' RETIREMENT SYSTEMS (KTRS)**

Changes in benefit terms

2022: A new benefit tier was added for members joining the System on and after January 1, 2022.

Changes in assumptions

2022: No changes in assumptions

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the PUB2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) results in an assumption change from 7.50% to 7.10%.

2019: No changes in assumptions

2018: The calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumptions change from 4.49% to 7.50%

2017: The calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>As of June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.469973%	0.459213%	0.459835%	0.473226%	0.496568%	0.511619%
District's proportionate share of collective net OPEB liability	\$ 9,274,981	\$ 8,791,403	\$ 11,103,617	\$ 7,959,448	\$ 8,816,466	\$ 10,285,292
District's covered-employee payroll	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	70.20%	74.33%	93.64%	66.07%	71.07%	81.81%
Plan fiduciary net position as a percentage of total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>For the year ended June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 487,594	\$ 763,651	\$ 563,002	\$ 564,426	\$ 633,718	\$ 583,012
Contributions in relation to the contractually required contribution	<u>487,594</u>	<u>763,651</u>	<u>563,002</u>	<u>564,426</u>	<u>633,718</u>	<u>583,012</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 14,383,304	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516
Contributions as a percentage of covered-employee payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

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

Changes of Benefit Terms

2022: No changes of benefit terms

2021: No changes of benefit terms

2020: No changes of benefit terms

2019: No changes of benefit terms.

2018: No changes of benefit terms (other than the blended discount rate used to calculate the total OPEB liability).

Changes in assumptions

2022: The initial healthcare trend rate for pre-65 was changed from 6.30% to 6.20%. The initial healthcare trend rate for post-65 was changed from 6.30% to 9.00%.

2021: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 12 of the financial statements. During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions.

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled “Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018”. The Total OPEB liability as of June 30, 2019 is determined using these updated assumptions.

2018: During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2018 is determined using the updated benefit provisions.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY  
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND**

<u>As of June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.657233%	0.535669%	0.539372%	0.538419%	0.548601%	0.571442%
District's proportionate share of collective net OPEB liability	\$ 16,316,000	\$ 11,494,000	\$ 13,612,000	\$ 15,758,000	\$ 19,035,000	\$ 20,376,000
State's proportionate share of collective net OPEB liability	\$ 5,360,000	\$ 9,334,000	\$ 10,904,000	\$ 12,726,000	\$ 16,404,000	\$ 16,645,000
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250	\$ 32,634,607
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	56.14%	36.25%	38.60%	50.42%	58.44%	62.44%
Plan fiduciary net position as a percentage of total OPEB liability	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND**

<u>For the year end June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 928,550	\$ 871,902	\$ 951,254	\$ 952,053	\$ 937,517	\$ 977,124
Contributions in relation to the contractually required contribution	<u>928,550</u>	<u>871,902</u>	<u>951,254</u>	<u>952,053</u>	<u>937,517</u>	<u>977,124</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 30,951,520	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	2.68%	3.00%	3.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY  
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND**

<u>As of June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
District's proportionate share of collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of collective net OPEB liability	\$ 267,000	\$ 124,000	\$ 330,000	\$ 296,000	\$ 281,000	\$ 223,000
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250	\$ 32,634,607
District's proportionate share of collective net liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND**

<u>For the year ended June 30</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 30,951,520	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
KENTUCKY TEACHERS’ RETIREMENT SYSTEM (KTRS)**

**Medical Insurance Fund**

Changes in benefit terms

2022: A new benefit term was added for members joining the System on and after January 1, 2022.

2021: No changes in benefit terms

2020: No changes in benefit terms

2019: No changes in benefit terms

2018: No changes in benefit terms

2017: With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP “shared responsibility” contributions, the costs of the NSS related to the KEHP-participating members who retired on or after July 1, 2010.

Changes in assumptions

2022: The health care trend rates were updated to reflect future anticipated experience.

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 8.00% to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**Life Insurance Fund**

Changes in benefit terms

2022: A new benefit term was added for members joining the System on and after January 1, 2022.

Changes in assumptions

2022: None

The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

**OTHER SUPPLEMENTARY INFORMATION**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>ASSETS AND RESOURCES</b>					
Cash and cash equivalents	\$ 1,961,184	\$ 3,084,417	\$ 3,799,291	\$ 3,362,042	\$ 12,206,934
Total assets and resources	<u>\$ 1,961,184</u>	<u>\$ 3,084,417</u>	<u>\$ 3,799,291</u>	<u>\$ 3,362,042</u>	<u>\$ 12,206,934</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 7,877	\$ 6,866	\$ 14,743
Interfund payable	-	-	3,163,250	2,901,946	6,065,196
Total liabilities	<u>-</u>	<u>-</u>	<u>3,171,127</u>	<u>2,908,812</u>	<u>6,079,939</u>
Fund Balances					
Restricted	1,961,184	3,084,417	628,164	453,230	6,126,995
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,961,184</u>	<u>3,084,417</u>	<u>628,164</u>	<u>453,230</u>	<u>6,126,995</u>
Total liabilities and fund balances	<u>\$ 1,961,184</u>	<u>\$ 3,084,417</u>	<u>\$ 3,799,291</u>	<u>\$ 3,362,042</u>	<u>\$ 12,206,934</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>REVENUES</b>					
From local sources					
Taxes					
Property	\$ -	\$ 2,465,028	\$ -	\$ -	\$ 2,465,028
Earnings on investments	-	33,397	46,828	-	80,225
Other local revenues	-	-	55,661	265,207	320,868
Student activities	-	-	949,223	-	949,223
Intergovernmental - state	789,057	1,543,382	-	-	2,332,439
	<u>789,057</u>	<u>4,041,807</u>	<u>1,051,712</u>	<u>265,207</u>	<u>6,147,783</u>
Total revenues	<u>789,057</u>	<u>4,041,807</u>	<u>1,051,712</u>	<u>265,207</u>	<u>6,147,783</u>
<b>EXPENDITURES</b>					
Instruction	-	-	1,039,027	423,318	1,462,345
Support services					
Student	-	-	-	4,638	4,638
Instructional staff	-	-	42,200	7,513	49,713
Student transportation	-	-	12,235	-	12,235
	<u>-</u>	<u>-</u>	<u>1,093,462</u>	<u>435,469</u>	<u>1,528,931</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,093,462</u>	<u>435,469</u>	<u>1,528,931</u>
Excess (deficit) of revenues over expenditures	<u>789,057</u>	<u>4,041,807</u>	<u>(41,750)</u>	<u>(170,262)</u>	<u>4,618,852</u>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, continued  
 FOR THE YEAR ENDED JUNE 30, 2023**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	102,517	169,914	272,431
Transfers (out)	-	(2,735,718)	(155,830)	(1,188)	(2,892,736)
Total other financing sources (uses)	-	(2,735,718)	(53,313)	168,726	(2,620,305)
Net change in fund balances	789,057	1,306,089	(95,063)	(1,536)	1,998,547
<b>Fund balance, beginning of year</b>	1,172,127	1,778,328	723,227	454,766	4,128,448
<b>Fund balance, end of year</b>	<u>\$ 1,961,184</u>	<u>\$ 3,084,417</u>	<u>\$ 628,164</u>	<u>\$ 453,230</u>	<u>\$ 6,126,995</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
Christian County High	\$ 244,140	\$ 331,703	\$ 345,868	\$ 229,975	\$ -	\$ 4,791	\$ 225,184
Christian County Middle	63,461	75,644	84,280	54,825	-	-	54,825
Crofton Elementary	6,943	45,883	49,258	3,568	-	-	3,568
Hopkinsville High	160,349	281,674	320,439	121,584	-	1,665	119,919
Hopkinsville Middle	67,665	86,187	88,452	65,400	-	-	65,400
Indian Hills Elementary	7,884	66,507	69,642	4,749	-	-	4,749
Martin Luther King Elementary	28,866	31,092	34,067	25,891	-	-	25,891
Millbrooke Elementary	37,680	77,410	88,991	26,099	-	1,421	24,678
Freedom Elementary	11,831	32,059	30,783	13,107	-	-	13,107
Pembroke Elementary	19,452	23,862	26,119	17,195	-	-	17,195
Sinking Fork Elementary	23,645	15,688	14,184	25,149	-	-	25,149
South Christian Elementary	27,344	49,521	55,017	21,848	-	-	21,848
Gateway Academy	23,968	19,430	16,747	26,651	-	-	26,651
<b>Total</b>	<b>\$ 723,228</b>	<b>\$ 1,136,660</b>	<b>\$ 1,223,847</b>	<b>\$ 636,041</b>	<b>\$ -</b>	<b>\$ 7,877</b>	<b>\$ 628,164</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
Step Team	\$ 40	\$ -	\$ -	\$ 40	\$ -	\$ -	\$ 40
Tennis	2,049	256	-	2,305	-	-	2,305
Track	3,928	1,926	1,915	3,939	-	-	3,939
Volleyball	922	1,409	738	1,593	-	-	1,593
Wrestling	9,995	7,561	11,450	6,106	-	583	5,523
Softball	1,238	902	-	2,140	-	-	2,140
Art	174	1,734	1,444	464	-	-	464
Academic team	1,286	146	1,093	339	-	-	339
Band	14,273	16,230	18,753	11,750	-	-	11,750
Senior Beta	6,553	1,619	508	7,664	-	-	7,664
Choir	3,710	2,096	2,514	3,292	-	-	3,292
Drama Club	1,145	1,549	1,505	1,189	-	-	1,189
Bowling	-	2,287	1,276	1,011	-	-	1,011
FBLA	1,723	3,138	3,471	1,390	-	-	1,390
FFA	31,094	56,778	45,107	42,765	-	2,612	40,153
PC Gamers	70	-	70	-	-	-	-
Key Club	3,485	89	274	3,300	-	-	3,300
NHS	1,465	373	647	1,191	-	-	1,191
Prom	3,592	9,555	8,321	4,826	-	-	4,826
Student Council	3,941	2,530	3,727	2,744	-	-	2,744
STLP	521	560	500	581	-	-	581

Continued  
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**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance			Cash Balance	Accounts	Accounts	Due to Student
	July 1, 2022	Receipts	Disbursements	June 30, 2023	Receivable	Payable	Groups
							June 30, 2023
Winterguard	2,685	6,088	7,589	1,184	-	-	1,184
World Language Club	3,514	3,144	781	5,877	-	-	5,877
KYA	3,939	8,503	7,472	4,970	-	-	4,970
Band fees	334	-	334	-	-	-	-
Colonels R Cookin'	446	1,522	1,777	191	-	-	191
JRTOC	7,290	16,387	14,378	9,299	-	-	9,299
Yearbook	8,204	6,020	2,575	11,649	-	-	11,649
Teacher account	3,033	1,259	3,810	482	-	-	482
Agriculture	1,245	-	1,245	-	-	-	-
Art	481	-	481	-	-	-	-
Humanities	309	-	309	-	-	-	-
Physical education	619	-	619	-	-	-	-
World Language	973	-	973	-	-	-	-
Rotary	-	9,108	8,851	257	-	-	257
Boys basketball	1,497	15,447	14,171	2,773	-	-	2,773
Bass fishing	476	696	38	1,134	-	-	1,134
Boys golf	75	202	73	204	-	-	204
Baseball	1,641	1,270	-	2,911	-	-	2,911
Boys soccer	1,587	2,177	1,539	2,225	-	-	2,225
Cheer	4,997	8,096	7,637	5,456	-	-	5,456
Cross country	1,448	3,864	2,055	3,257	-	498	2,759

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
Dance	7,693	2,971	7,972	2,692	-	-	2,692
Football	5,508	5,887	4,178	7,217	-	605	6,612
Girls basketball	923	643	1,185	381	-	-	381
Girls golf	537	68	536	69	-	-	69
Girls soccer	5,937	4,358	5,213	5,082	-	493	4,589
CBI	4,025	84	1,590	2,519	-	-	2,519
Athletic general	26,790	88,155	87,640	27,305	-	-	27,305
Class fees	33,259	-	14,150	19,109	-	-	19,109
General	22,445	30,178	41,749	10,874	-	-	10,874
Master of Design	321	-	-	321	-	-	321
Drumline	-	3,000	-	3,000	-	-	3,000
FCCLA	-	40	-	40	-	-	40
Student Union	-	272	207	65	-	-	65
Archery	705	1,526	1,428	803	-	-	803
<b>Total</b>	<b>\$ 244,140</b>	<b>\$ 331,703</b>	<b>\$ 345,868</b>	<b>\$ 229,975</b>	<b>\$ -</b>	<b>\$ 4,791</b>	<b>\$ 225,184</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
General fund	\$ 4,875	\$ 8,974	\$ 8,882	\$ 4,967	\$ -	\$ -	\$ 4,967
Swim Team	-	2,800	265	2,535	-	-	2,535
Tennis	522	2,396	2,509	409	-	-	409
Track	3,428	12,239	12,110	3,557	-	-	3,557
Volleyball	-	4,870	4,870	-	-	-	-
Wrestling	295	2,627	2,180	742	-	-	742
Weightlifting	6	-	-	6	-	-	6
Community Base Grant	3,282	-	162	3,120	-	-	3,120
Archery	1,286	837	1,443	680	-	-	680
Art	820	-	351	469	-	-	469
Academic Team	315	-	-	315	-	-	315
Marching Band	11,425	15,218	23,878	2,765	-	-	2,765
Beta Club	4,231	1,346	1,272	4,305	-	-	4,305
JROTC Color Guard	822	-	-	822	-	-	822
Choir	6	1,480	510	976	-	-	976
FFA	6,925	12,274	11,780	7,419	-	-	7,419
FCS	90	-	-	90	-	-	90
Grad Class	335	352	204	483	-	-	483
KYA	6,731	19,632	19,872	6,491	-	-	6,491
Key Club	363	3,080	3,420	23	-	-	23
Prom	4,265	10,066	3,001	11,330	-	-	11,330
Student Council	6,140	3,535	4,435	5,240	-	-	5,240

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
STLP	1	-	-	1	-	-	1
Science Olympiad	420	3,207	3,627	-	-	-	-
Student Union	232	1,773	2,005	-	-	-	-
Winterguard	612	3,951	3,148	1,415	-	-	1,415
JROTC	3,222	8,112	9,143	2,191	-	826	1,365
Yearbook	1,062	5,580	2,994	3,648	-	-	3,648
Teachers account	3,686	2,032	3,869	1,849	-	-	1,849
Fees	39,918	12,987	30,167	22,738	-	-	22,738
Athletic general	30,204	81,577	100,753	11,028	-	464	10,564
Boys basketball	854	6,170	4,551	2,473	-	-	2,473
Bass fishing	345	633	200	778	-	-	778
Baseball	2,707	7,529	8,770	1,466	-	-	1,466
Soccer	2,368	2,169	2,820	1,717	-	-	1,717
Cheer	3,626	10,215	10,784	3,057	-	375	2,682
Cross country	2,287	8,379	8,260	2,406	-	-	2,406
Dance	625	-	-	625	-	-	625
Football	259	7,535	7,494	300	-	-	300
Girls basketball	3,858	2,318	3,897	2,279	-	-	2,279
Girl's golf	403	-	88	315	-	-	315
Girls soccer	2,427	1,050	3,009	468	-	-	468
Softball	256	2,468	2,624	100	-	-	100

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance July 1, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2023
Guitar class	-	490	-	490	-	-	490
Field trips	-	150	73	77	-	-	77
Bowling	-	1,185	840	345	-	-	345
Journalism club	-	266	-	266	-	-	266
FCCLA	160	-	-	160	-	-	160
FBLA	1,469	4,072	4,567	974	-	-	974
NHS	2,536	1,984	946	3,574	-	-	3,574
United Way	-	459	459	-	-	-	-
Rotary	-	2,921	2,921	-	-	-	-
Boys golf	650	736	1,286	100	-	-	100
<b>Total</b>	<b>\$ 160,349</b>	<b>\$ 281,674</b>	<b>\$ 320,439</b>	<b>\$ 121,584</b>	<b>\$ -</b>	<b>\$ 1,665</b>	<b>\$ 119,919</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures	
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	3810002-22	\$ 2,372,892	
	84.027	3810002-21	72,794	
	84.027	3810002-20	38,817	
Special Education - Preschool Grants	84.173	3800002-22	1,171	
	84.173	3800002-21	95,509	
COVID-19: Special Education - Grants to States	84.027	4910002-21	188,794	
COVID-19: Special Education - Preschool Grants	84.173	4900002-21	<u>11,919</u>	
Total Special Education Cluster				\$ 2,781,896
Title I Grants to Local Education Agencies	84.010	3100002-22	1,510,630	
	84.010	3100002-21	2,412,785	
	84.010	3100202-21	36,366	
	84.010	3100002-20	<u>109,847</u>	4,069,628
Migrant Education - State Grant Program	84.011	3110002-22	118,810	
	84.011	3110002-21	69,452	
	84.011	3110002-20	<u>75,749</u>	264,011
Title I, Part D	84.013	Direct	37,280	
	84.013	3100102-22	14,896	
	84.013	3100102-21	124,325	
	84.013	3100102-20	<u>7,197</u>	183,698
Vocational Education - Basic Grants to States	84.048	3710002-22	164,866	
	84.048	3710002-21	20,974	
	84.048	3710002-20	<u>1,290</u>	187,130
School Safety National Activities	84.184	Direct		74,759
Title V Rural and Low Income	84.358	3140002-22	174,520	
	84.358	3140002-21	<u>86,838</u>	261,358
English Language Acquisition Grants	84.365	3300002-22	28,411	
	84.365	3300002-21	<u>17,628</u>	46,039
Improving Teacher Quality - State Grants	84.367	3230002-22	336,429	
	84.367	3230002-21	303,762	
	84.367	3230002-20	<u>27,063</u>	667,254

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued  
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures	
<b>U.S. Department of Education - continued</b>				
Passed through State Department of Education				
Striving Readers Comprehensive Literacy	84.371C	3220002-22	309,215	
	84.371C	3220002-21	<u>1,272</u>	310,487
Student Support and Academic Enrichment Program	84.424	3420002-22	151,450	
	84.424	3420002-21	189,705	
	84.424	3420002-20	<u>9,986</u>	351,141
Other U. S. Department of Education Programs:				
Impact Aid	84.041	Direct		126,255
COVID-19 Education Stabilization Act				
Elementary and Secondary School Emergency Relief Fund	84.425	4000002-21	7,080,492	
	84.425	4200002-21	84,949	
	84.425	4200003-21	482,617	
	84.425	4300002-21	2,068,462	
	84.425	4300003-21	281	
	84.425	4300005-21	58,627	
	84.425	4980002-21	5,950	
	84.425	GEER-20	<u>10,149</u>	<u>9,791,527</u>
<b>Total U.S. Department of Education</b>				<u>19,115,183</u>
<b>U.S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	7760005-23	1,589,455	
	10.553	7760005-22	452,664	
National School Lunch Program	10.555	7750002-23	3,604,760	
	10.555	7750002-22	1,035,566	
	10.555	7960008-22	(35)	
	10.555	9980000-23	87,096	
	10.555	9980000-22	<u>193,665</u>	
Total Child Nutrition Cluster				<u>6,963,171</u>
State Administrative Expenses for Child Nutrition	10.560	7700001-22		11,203
COVID-19: Pandemic EBT Administrative Cost	10.649	9990000-22		5,950
Other U.S. Department of Agriculture Programs				
Fresh Fruit and Vegetable Program	10.555	Direct		<u>539,129</u>
<b>Total U.S. Department of Agriculture</b>				<u>7,519,453</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued  
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Defense</b>			
ROTC Language and Culture Training	12.357	Direct	<u>39,984</u>
<b>Total U.S. Department of Defense</b>			<u>39,984</u>
<b>U.S. Department of Health and Human Services</b>			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	Direct	32
Cooperative Agreements to Promote Adolescent Health Through School Based HIV/STD Prevention and School Based Surveillance	93.079	Direct	1,423
COVID-19 Child Care and Development Block Grant	93.575	Direct	<u>431,294</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>432,749</u>
<b>U.S. Department of Labor</b>			
Passed through West Kentucky Workforce Investment Board WIA Youth Activities	17.259	Direct	<u>86,995</u>
<b>Total U.S. Department of Labor</b>			<u>86,995</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 27,194,364</u>

See notes to Schedule of Expenditures of Federal Awards

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Christian County School District (District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

**NOTE 3 – SUBRECIPIENTS**

There were no sub recipients during the fiscal year.

**NOTE 4 – INDIRECT COST RATE**

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

**NOTE 5 – COMMODITIES**

Nonmonetary assistance is reported in the Schedule at the fair market value of the USDA food commodities received and disbursed.

## **INTERNAL CONTROL AND COMPLIANCE**

ANNA B. GENTRY HERR, CPA, CFE

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DUGUID, GENTRY & ASSOCIATES, P.S.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Christian County School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 25, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Christian County School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

We noted certain matters that we reported to management of Christian County School District in a separate report dated October 25, 2023.

## **Purpose of this Report**

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

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

October 25, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

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

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Christian County School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

October 25, 2023



**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

**Findings – Financial Statement Audits**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

None

**MANAGEMENT COMMENTS FOR AUDIT**

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DUGUID, GENTRY & ASSOCIATES, P.S.C.  
CERTIFIED PUBLIC ACCOUNTANTS

October 25, 2023

Kentucky State Committee  
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Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

In planning and performing our audit of the financial statements of Christian County School District (District) for the year ended June 30, 2023, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

The memorandum that accompanies this letter summarizes our comments and recommendations. Any uncorrected comments from the prior year have been listed in this letter. A separate report dated October 25, 2023 contains our report on the District's internal control. This letter does not affect our report dated October 25, 2023 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

This report is intended solely for the information and use of management, the members of the Christian County Board of Education, others within the District, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

**CHRISTIAN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**CHRISTIAN COUNTY MIDDLE SCHOOL**

- I. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) requires the use of Form F-SA-5 Monthly Inventory Control Worksheet for concession and bookstore activities to recap the flow of inventory monthly and identify overages or shortages.

**Condition** – Form F-SA-5 Monthly Inventory Control Worksheet was not used and completed properly on a monthly basis.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (“Redbook”).

**Recommendation** – Form F-SA-5 Monthly Inventory Control Worksheet should be completed to recap the flow of inventory monthly of all inventory/concessions and to identify overages and shortages.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

- II. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) requires the use of Form F-SA-1 Requisition and Report of Ticket Sales to be used to report and reconcile the number of tickets sold and the funds collected for all events where admission is charged.

**Condition** – Form F-SA-1 Requisition and Report of Ticket Sales was not properly completed to reconcile revenue received from events where admission was charged.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

**Recommendation** – Form F-SA-1, Requisition and Report of Ticket Sales, is to be used and properly completed and signed by the person in charge of sales, the ticket taker, and the school treasurer when tickets are sold and funds collected.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**HOPKINSVILLE MIDDLE SCHOOL**

- I. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) states that Form F-SA-2A Fundraiser & Crowdfunding Approval be completed and approved by the Superintendent as directed by Board for all school-wide fundraisers, and the principal or a designee for all other fundraisers in the school before the fundraiser begins.

**Condition** – Fundraisers tested were missing Form F-SA-2A Fundraiser & Crowdfunding Approval.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

**Recommendation** – Form F-SA-2A Fundraiser & Crowdfunding Approval should be completed for each fundraiser.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**HOPKINSVILLE HIGH SCHOOL**

- I. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) states that Form F-SA-2A Fundraiser & Crowdfunding Approval be completed and approved by the Superintendent as directed by Board for all school-wide fundraisers, and the principal or a designee for all other fundraisers in the school before the fundraiser begins.

**Condition** – Fundraisers tested were missing Form F-SA-2A Fundraiser & Crowdfunding Approval.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

**Recommendation** – Form F-SA-2A Fundraiser & Crowdfunding Approval should be completed for each fundraiser.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**HOPKINSVILLE HIGH SCHOOL, continued**

- II. Criteria** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) sets accounting guidelines for fundraisers.

**Condition** – Fundraisers tested were missing Form F-SA-2B Fundraiser Summary.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (“Redbook”).

**Recommendation** – Form F-SA-2B Fundraiser Summary should be completed for each fundraiser.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

- III. Condition** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) requires the use of Form F-SA-1 Requisition and Report of Ticket Sales, to be used to report and reconcile the number of tickets sold and the funds collected for all events where admission is charged.

**Criteria** – Form F-SA-1 Requisition and Report of Ticket Sales was not properly completed to reconcile revenue received from events where admission was charged.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

**Recommendation** – Form F-SA-1, Requisition and Report of Ticket Sales, is to be used and properly completed and signed by the person in charge of sales, the ticket taker, and the school treasurer when tickets are sold and funds collected.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**CROFTON ELEMENTARY SCHOOL**

- I. **Condition** – There was no indication on the deposit slip that anyone other than the treasurer had verified the deposit.

**Recommendation** – Receipt numbers in the deposit should be listed on the deposit slip and verification of the daily deposit should be noted on the deposit slip.

**Current Status** – This finding was not repeated for June 30, 2023.

**FREEDOM ELEMENTARY SCHOOL**

- I. **Condition** – Five accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for one account for June 30, 2023 and for five accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**INDIAN HILLS ELEMENTARY SCHOOL**

- I. **Condition** – Nine accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for one account for June 30, 2023 and June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**MARTIN LUTHER KING JR. ELEMENTARY SCHOOL**

- I. **Condition** – Three accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for one account for June 30, 2023 and June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**MILLBROOKE ELEMENTARY SCHOOL**

- I. **Condition** – Nine accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts for June 30, 2023 and June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**PEMBROKE ELEMENTARY SCHOOL**

- I. **Condition** – Five accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts for June 30, 2023 and for five accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SINKING FORK ELEMENTARY SCHOOL**

- I. **Condition** – Five accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts for June 30, 2023 and for three accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**SOUTH CHRISTIAN ELEMENTARY SCHOOL**

- I. **Condition** – Five accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts for June 30, 2023 and for three accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. **Condition** – Receipt numbers were not listed on deposit slips.

**Recommendation** – Receipt numbers in the deposit should be listed on the deposit slip and verification of the daily deposit should be noted on the deposit slip.

**Current Status** – This finding was not repeated for June 30, 2023.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**CHRISTIAN COUNTY MIDDLE SCHOOL**

- I. **Condition** – Ten accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for six accounts for June 30, 2023 and for eight accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. **Condition** – Fundraisers tested were missing Form F-SA-2A Fundraiser & Crowdfunding Approval.

**Recommendation** – Form F-SA-2A Fundraiser & Crowdfunding Approval should be completed for each fundraiser.

**Current Status** – This finding was not repeated for June 30, 2023.

- III. **Condition** – Fundraisers tested were missing Form F-SA-2B Fundraiser Summary.

**Recommendation** – Form F-SA-2B Fundraiser Summary should be completed for each fundraiser.

**Current Status** – This finding was not repeated for June 30, 2023.

**CHRISTIAN COUNTY HIGH SCHOOL**

- I. **Condition** – Ten accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts June 30, 2023 and for six accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**CHRISTIAN COUNTY HIGH SCHOOL, continued**

- II. **Condition** – Fundraisers tested were missing Form F-SA-2B Fundraiser Summary.

**Recommendation** – Form F-SA-2B Fundraiser Summary should be completed for each fundraiser.

**Current Status** – This finding was repeated for June 30, 2023 and for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

- III. **Condition** – Form F-SA-6, Multiple Receipt Form, was not completed properly and timely.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) requires the use and proper and timely completion of the Multiple Receipt Form when funds are collected from a group of students to document the receipt of funds from a fundraiser or event. Additionally, it is required that students in sixth grade and above sign F-SA-6 as they turn in money.

**Current Status** – This finding was not repeated for June 30, 2023.

**HOPKINSVILLE MIDDLE SCHOOL**

- I. **Condition** – Ten accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts’ funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for six accounts for June 30, 2023 and for seven accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**HOPKINSVILLE HIGH SCHOOL**

- I. **Condition** – Seven accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for nine accounts for June 30, 2023 and June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. **Condition** – Form F-SA-6, Multiple Receipt Form, was not completed properly and timely.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (“Redbook”) requires the use and proper and timely completion of the Multiple Receipt Form when funds are collected from a group of students to document the receipt of funds from a fundraiser or event. Additionally, it is required that students in sixth grade and above sign F-SA-6 as they turn in money.

**Current Status** – This finding was not repeated for June 30, 2023.

**GATEWAY ACADEMY**

- I. **Condition** – Seven accounts with balances at year-end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – This finding was repeated for two accounts for June 30, 2023 and for four accounts for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.