

Basic Financial Statements
and Supplementary Information

2023

Oldham County School District

June 30, 2023



Basic Financial Statements
and Supplementary Information

Oldham County School District

June 30, 2023

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Independent Auditors' Report

Members of the Board
Oldham County School District
Crestwood, Kentucky

Opinion

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 Oldham County School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Oldham County School 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 ("GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kentucky Public School Districts' Audit Contract* and requirements prescribed by the Kentucky State Commission for School District Audits. 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 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.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2023, the District adopted new accounting guidance, Governmental Accounting Standards, Board ("GASB") *Statement No. 96, Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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.

Auditors' 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 GAAS, *Government Auditing Standards* and *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee For School District Audits 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 GAAS, *Government Auditing Standards*, and *Government Auditing Standards and Kentucky Public School Districts' Audit Contract and Requirements*, 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 (Unaudited) on pages 4 through 11, budgetary comparison information on pages 61 through 65, and the pension and other postemployment benefits liability and contributions information on pages 66 through 78 be presented to supplement the basic financial statements. Such information, 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 GAAS, 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. Schedules of School Activity Funds on pages 79 through 83, the combining supplementary information on pages 82 and 83, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on pages 86 through 88, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the 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 February 9, 2024 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 the District's internal control over financial reporting and compliance.

Strothman and Company

Louisville, Kentucky
February 9, 2024

Management's Discussion and Analysis (Unaudited)

Oldham County School District

June 30, 2023

As management of the Oldham County School District (the "District"), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

Overview

Oldham County Schools' student enrollment was 12,426 students in the 2022-2023 fiscal year. This is a slight increase from the prior year. These students are instructed in 20 schools including 3 high schools (plus an alternative school and a career education center), 4 middle schools, 9 elementary schools, a preschool, and an arts center. In Fiscal Year 2023, a new district strategic plan was completed, which outlines our vision, goals, and objectives over the next five years. The four pillars of our strategic plan are our students, staff, families, and community. We aim to engage these groups, empower them with knowledge and passion, and elevate the experience each has within our school system. Stemming from the strategic plan, our new District logo and tagline were created: "Ignite Passion. Experience Excellence." The logo creates a powerful visual representation of the District's commitment to both passion and excellence. It communicates the idea that through the District's educational programs and supportive environment, students will be inspired to pursue their passions while receiving the necessary tools, resources, and guidance to excel in all aspects of their academic and personal lives.

Revenue

The General Fund recognized \$142.6 million in revenue consisting primarily of local property, utility, and motor vehicle taxes and the State allocation ("SEEK"). Included in this amount, \$41.8 million representing payments made by the State on the District's behalf for teachers' retirement contributions, employees' health insurances, technology services, and debt service, was recognized as revenue. On-behalf revenues account for 29.3% of total General Fund revenues.

The District levied FY23 property tax rates of 81.2 cents per \$100 assessed value of real estate and personal property, and 64.3 cents for motor vehicles per \$100 of assessed value, along with a 3% utility tax. The property tax rate was increased to generate the allowable 4% increase in revenue, while motor vehicle and utility tax rates remained constant. This property tax rate, along with increased property value assessments, generated approximately \$44 million of additional FY23 general property tax revenues. Property and motor vehicle taxes comprise 35.3% of revenues.

The District recognized \$4.2 million in utility taxes. This permissive tax accounts for 2.95% of General Fund operating revenues, providing some relief in the funding gap created by the State's funding formula.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

For Fiscal Year 2023, the state of Kentucky increased its guaranteed base level of support per pupil SEEK funding from \$4,000 to \$4,100. The biennial state budget appropriated funds for full day kindergarten, increasing revenue by about \$659,000 over the half day funding. The remaining usual SEEK calculations resulted in a final General Fund SEEK funding increase for Fiscal Year 2023 of \$1,512,054 over that of Fiscal Year 2022.

The District administered over \$12.3 million in federal, state and local grants and other programs during the year, of which \$5.8 million were pandemic relief funds, including \$2.8 million for childcare center stabilization. An additional \$6.3 million was administered in the Child Nutrition programs.

Expenditures

General Fund expenditures were \$136.4 million. Salaries and related costs total \$117.4 million or 86% of the general operating expenditures. Included in this amount is \$41.8 million in teachers' retirement contributions, employees' health insurances, and technology services payments made by the State.

Instruction comprises 64.5% of governmental program expenditures and support services expenditures make up an additional 21.1%. The remaining expenses for community services activities, plant operations and maintenance and pupil transportation account for the remaining 14.4% of total government expense.

The District is currently operating under a bus fleet replacement plan reflecting a purchase of 8 new buses in the current year, at an approximate cost of \$1,023,000. Due to supply chain issues, not all of the ordered buses were received in the current fiscal year.

The District's Technology plan outlines goals to cover Network, Server and Audio/Video Infrastructure lifecycles. Based upon Gartner research data and current vendor End of Life policies, the district has determined a "Useful Life Schedule" for new equipment. Barring any significant expansion or new demands on the infrastructure, the District has budgeted \$1.6 million each year to refresh portions of a particular equipment within its useful life schedule. This includes infrastructure for roughly 900 classrooms' audio/video, wireless and wired networking; core and distribution networking; data center networking; and production and security servers.

During Fiscal Year 2023, the District implemented its annual salary step increase for full- and part-time employees, continued proactive funding for technology upgrades, and continued its third year of increased funding for school Admissions and Release Committee ("ARC") chairs, and psychologists. The District continues its focus on the whole child and has increased its expenditures in this area to provide additional staffing to assist the schools in managing students' emotional and behavioral needs, as well as their academic needs. While prior years initiated a focus on safety with an increase of School Resource Officers and school nurses, Fiscal Year 2022 introduced a robust Multi-Tiered System of Support ("MTSS") framework in each school in the District. In addition to training and support for teachers and interventionists, the District focused on meeting the social-emotional and mental health needs of students through the use of evidence-based curricular resources and intervention materials.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

Construction/Capital Assets

Construction in Fiscal Year 2023 continued to progress on projects begun at an accelerated rate in Fiscal Year 2020. Projects included:

- **South Oldham High School**, due for its 30-year renovation, construction began in Fiscal Year 20 and finished in Fiscal Year 2022 with a safe school's entrance, new administrative and guidance suites, and a gymnasium renovation with HVAC, in addition to upgrades to the athletics facilities. This is budgeted at \$7.2 million and will be funded by District and private contributions. Phase Two will include further renovations and construction of additional classroom spaces. Phase One was completed at a cost of \$6.3 million.
- **Buckner Elementary School** classroom addition project, budgeted at \$4.1 million, built classrooms to accommodate 100 additional students, was finished in time for the students to start the Fiscal Year 2022 school year, at a cost of \$4.0 million.
- **District-wide phone system** replacement to VoIP technology, allowing for direct 9-1-1 dialing and compliance with Kari's law, was completed at a cost of \$681,000.
- The first year of upgrades for Interactive Classroom technology was completed at \$1.6 million. Further upgrades will occur in Fiscal Year 2023.
- **North Oldham Middle School** Heating Ventilation and Air Conditioning system renovation and replacement, budgeted at \$ 3.5 million, replaced the 1979 HVAC and refrigeration systems as well as the boiler, chiller, and main electrical switch gear, and will be finished in time for the students to start the Fiscal Year 23 school year.
- **East Oldham Middle School** addition and roof replacement, budgeted at \$5.5 million, built classrooms to accommodate 100 additional students, built Career Tech lab space, completely replaced shingle roof with standing seam metal roof.
 - Several smaller projects were begun in Fiscal Year 22, including:
 - Roof renovations are now up to date with the next round coming.
 - Band tower replacements.
 - Boiler replacements.
 - Athletics facility renovations.

Proprietary Funds

The District operates two business-type, or proprietary, funds: Food Service and Child Daycare operations. Business-type activities are supported primarily through charges/fees to participants for goods or services and are expected to be self-sufficient. They receive no support from tax revenues. Both proprietary funds continued to receive covid pandemic relief via several federal grant or funding programs.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

Academics

Oldham County Schools continues to rank among the highest-performing school districts on various academic achievement and college readiness assessments.

Academic Highlights

- Repeatedly named #1 Best School District in the Louisville area by Niche.
- NOHS ranked #4, SOHS ranked #8, and OCHS ranked #25 high schools in Kentucky by US News & World Report.
- All three high schools made the AP Honor Roll. NOHS and SOHS achieved Gold status and OCHS earned Silver status. The AP School Honor Roll recognizes schools whose AP programs are delivering results for students while broadening access. Schools can earn this recognition annually based on criteria that reflect a commitment to increasing college-going culture, providing opportunities for students to earn college credit, and maximizing college readiness.
- 40% high school students are enrolled in AP classes with a 70% pass rate.
- Graduation rate of 97.5% compared to 91% average for Kentucky.
- ACT scores remain among the highest in Kentucky.

Future Budgetary Considerations

As part of its overall long-term financial plan, the District strives to be a good steward of its public funding and continually monitors its budget and operations to provide an exceptional education for students, fair compensation for employees, and to request a tax rate increase only when necessary.

By law, Kentucky School Districts must maintain a minimum general fund contingency 2%. The Oldham County School District adopted its Fiscal Year 23 Working Budget with a general fund contingency of \$16.0 million, or 11.2%. As with any projection, circumstances that could affect the Working Budget and related contingency are likely to occur. Examples of circumstances that could affect the projected contingency balance include changes in projected Federal and State funding, assessed property values and estimated tax collection rates, pension fund reform, unexpected expenditures and inflation, student transportation acquisitions and funding of new educational initiatives. The Board continually monitors this contingency to assure its adequacy in association with the fiscal operations of the district.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements, tables, and notes to those statements. The statements are organized so the reader can understand Oldham County School District as a financial whole, or by individual operating entity/fund.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

Governmental Accounting Standards Board Statement 34 established financial reporting standards for state and local governments, including school districts. Government entities are required to present a series of financial statements and supporting discussion, to include:

- 1) Management's discussion and analysis (MD&A)
- 2) Basic financial statements, to include:
 - i) District-wide financial statements, with distinctions between governmental and business-type activities
 - ii) Fund financial statements, with distinctions between each of the major and non-major funds and the fiduciary funds
 - iii) A reconciliation or cross-walk from the fund financial statements to the government-wide financial statements
- 3) Required supplementary information, including budgetary comparisons

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Assets, liabilities, deferred inflows/outflows, revenues, and expenses are reported using the full accrual basis of accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The required reports for district-wide financial statements, the Statement of Net Position and the Statement of Activities, provide information about the activities of the whole school district, presenting an aggregate long-term view of the school district's finances. These statements consolidate the various funds used by the school district for providing programs and activities to show how the school district as a whole performed financially during the current fiscal year.

The statements report the District's net position and changes in it from the previous year's net position. This change is important because it identifies whether the net financial position of the District has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Government Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities. Funding is provided or levied primarily from government sources.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

Business-type Activities – The District's food service and child daycare operations are reported as business activities. Funding for these services is provided through charges for goods or services used to recover all of the expenses of the goods or services provided. This activity is designated as proprietary funds in the fund financial statements.

Fund financial statements. A fund is a grouping of accounts that is used to maintain control over resources that have been segregated for specific purposes. The state mandates uniform fund accounting structure and charts of accounts utilizing MUNIS financial software for all Kentucky public school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements are prepared using the modified accrual basis of accounting.

Fund financial statements provide a different type of segregation of the District's financial activities than do the district-wide financial statements—by Fund. These fund statements tell how services were financed in the fiscal year, as well as what remains for future short-term spending, for each of the funds. For Oldham County School District, the General Fund is the most significant fund.

All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. The proprietary funds, also known as business-type activities in the district-wide reports, consist of food service and child daycare operations. The District's fiduciary funds are held by the district in a trustee capacity for external entities (i.e.: scholarship funds). The District's student activity funds held for student groups, which were considered fiduciary prior to GASB 84, are now grouped with the governmental funds. All other activities of the District are included in the governmental funds.

Required fund financial statements for governmental funds are a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. Required financial statements for proprietary funds are a Statement of Net Position; a Statement of Revenues, Expenditures, and Changes in Fund Balances; and a Statement of Cash Flows. The required financial statement for fiduciary funds is a Statement of Net Position.

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

DISTRICT-WIDE FINANCIAL ANALYSIS

All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. The proprietary funds, also known as business-type activities in the district-wide reports, consist of food service and child daycare operations. The District's fiduciary funds are held by the district in a trustee capacity for external entities (i.e.: scholarship funds). All other activities of the District are included in the governmental funds.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

Oldham County School District

June 30, 2023

Net Position for the periods ended June 30, 2023 and 2022

The following is a summary of net position for the fiscal years ended June 30, 2023 and 2022.

Net Position for the Years Ended June 30, 2023 and 2022
(Table 1)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current Assets	\$ 69,474,995	\$ 48,713,350	\$ 9,118,050	\$ 9,236,336	\$ 78,593,045	\$ 57,949,686
Capital Assets	236,843,647	238,471,255	5,452,358	4,881,777	242,296,005	243,353,032
Total Assets	306,318,642	287,184,605	14,570,408	14,118,113	320,889,050	301,302,718
Deferred Outflows	41,022,775	24,149,616	1,316,391	984,242	42,339,166	25,133,858
Current Liabilities	18,936,228	19,602,224	113,543	1,176,494	19,049,771	20,778,718
Long-term Liabilities	207,594,586	188,837,243	3,956,139	3,778,145	211,550,725	192,615,388
Total Liabilities	226,530,814	208,439,467	4,069,682	4,954,639	230,600,496	213,394,106
Deferred inflows	27,043,950	30,401,431	959,876	1,287,013	28,003,826	31,688,444
Net investment in capital assets	102,604,636	105,139,613	5,452,358	4,881,777	108,056,994	110,021,390
Restricted	41,267,719	22,448,955	920,199	425,334	42,187,918	22,874,289
Unrestricted	(50,105,702)	(55,095,245)	4,484,684	3,553,592	(45,621,018)	(51,541,653)
Total Net Position	\$ 93,766,653	\$ 72,493,323	\$ 10,857,241	\$ 8,860,703	\$ 104,623,894	\$ 81,354,026

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2023, were \$142,464,339, net of inter-fund transfers and sale of assets, of \$1,936,941 and \$83,554 respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$2,878,696 more than budget or approximately 2.1% of General Fund Budget.
- General Fund actual expenditures were \$136,370,324 net of inter-fund transfers of \$188,314.
- General Fund actual expenditures were less than budgeted expenditures by \$21,321,095.

Continued

Management's Discussion and Analysis (MD&A) (Unaudited)--Continued

Oldham County School District

June 30, 2023

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2023 and 2022.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 11,587,900	\$ 9,591,449	\$ 6,052,874		\$ 17,640,774	\$ 9,591,449
Operating grants and contributions	54,665,967	54,457,886	3,411,724		58,077,691	54,457,886
Capital grants and contributions	434,322	434,322			434,322	434,322
General Revenues:						
Property taxes	67,350,449	62,466,956			67,350,449	62,466,956
Utility taxes	4,247,281	3,919,861			4,247,281	3,919,861
Earnings on investments	1,808,451	(223,995)	293,554		2,102,005	(223,995)
State and federal	50,478,819	46,214,200	10,537		50,489,356	46,214,200
Miscellaneous	283,632	227,676			283,632	227,676
Total Revenues	190,856,821	177,088,355	9,768,689		200,625,510	177,088,355
Expenses:						
Program Activities:						
Instruction	110,626,334	94,524,373			110,626,334	94,524,373
Student support services	9,645,436	9,764,502			9,645,436	9,764,502
Instructional staff support services	6,982,154	7,009,307			6,982,154	7,009,307
District administration	2,728,893	2,394,869			2,728,893	2,394,869
School administration	7,826,219	7,500,604			7,826,219	7,500,604
Business support services	5,549,410	5,211,693			5,549,410	5,211,693
Plant operation and maintenance	13,107,118	2,668,234			13,107,118	2,668,234
Student transportation	7,469,583	7,760,163			7,469,583	7,760,163
Daycare		2,429,769				2,429,769
Community service	2,964,575	152,864			2,964,575	152,864
Facilities	578,005	11,527,282			578,005	11,527,282
Interest and bond issue cost	4,052,899	4,331,530			4,052,899	4,331,530
Business-type Activities:						
Food service			5,469,112	\$ 5,232,052	5,469,112	5,232,052
Daycare			258,034	(1,979,921)	258,034	(1,979,921)
Total Expenses	171,530,626	155,275,190	5,727,146	3,252,131	177,257,772	158,527,321
Transfers	1,763,663		(2,045,005)		(281,342)	
Increase in Net Position	\$ 21,089,858	\$ 21,813,165	\$ 1,996,538	\$ (3,252,131)	\$ 23,086,396	\$ 18,561,034

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to reflect accountability for the monies received and expended.

Questions about this report, or additional financial information needs, should be directed to Superintendent Dr. Jason Radford or Chief Financial Officer Dr. Tom Shelton at (502) 241-3500 or by mail, to Oldham County School District, 6165 West Highway 146, Crestwood, Kentucky 40014.

DISTRICT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
Oldham County School District
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 50,136,960	\$ 8,947,888	\$ 59,084,848
Investments	17,527,312		17,527,312
Accounts receivable	1,344,970	16,870	1,361,840
Interfund receivable	88,621		88,621
Inventories		153,292	153,292
Land and other nondepreciable assets	35,315,462		35,315,462
Capital assets, net of accumulated depreciation	201,528,185	5,452,358	206,980,543
Total Assets	306,318,642	14,570,408	320,889,050
Deferred Outflows of Resources			
Deferred loss from refunding bonds	1,804,233		1,804,233
Deferred outflows from pension liability	11,661,194	850,816	12,512,010
Deferred outflows from OPEB liabilities	27,557,348	465,575	28,022,923
Total Deferred Outflows	41,022,775	1,316,391	42,339,166
Liabilities			
Accounts payable	914,778	24,921	939,699
Accrued payroll and related liabilities	3,266,823		3,266,823
Current portion of accrued sick and vacation leave	477,586		477,586
Due to other fund		88,622	88,622
Accrued interest payable	1,062,041		1,062,041
School building revenue bonds, current	13,215,000		13,215,000
Net pension liability	42,593,022	3,107,645	45,700,667
Net OPEB liability	44,395,362	848,494	45,243,856
Long-term maturities:			
School building revenue bonds	119,961,970		119,961,970
Accrued sick and vacation leave	644,232		644,232
Total Liabilities	226,530,814	4,069,682	230,600,496
Deferred Inflows of Resources			
Deferred inflows from pension liability	6,499,907	474,242	6,974,149
Deferred inflows from OPEB liabilities	20,544,043	485,634	21,029,677
Total Deferred Inflows	27,043,950	959,876	28,003,826
Net Position			
Net investment in capital assets	102,604,636	5,452,358	108,056,994
Restricted for:			
Capital projects/debt service	38,688,660	920,199	39,608,859
Student activities	2,579,059		2,579,059
Unrestricted/(Deficit)	(50,105,702)	4,484,684	(45,621,018)
Total Net Position	\$ 93,766,653	\$ 10,857,241	\$ 104,623,894

See Accompanying Notes to Financial Statements

Statement of Activities
Oldham County School District
Year Ended June 30, 2023

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense)/Revenue and Changes in Net Position		
	District-wide Total		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction	\$ 110,626,334	\$ 11,275,792	\$ 43,122,151		\$ (56,228,391)		\$ (56,228,391)
Support Services:							
Student	9,645,436		2,278,602		(7,366,834)		(7,366,834)
Instructional staff	6,982,154		3,251,961		(3,730,193)		(3,730,193)
District administrative	2,728,893		213,932		(2,514,961)		(2,514,961)
School administrative	7,826,219		1,081,163		(6,745,056)		(6,745,056)
Business support services	5,549,410		501,263		(5,048,147)		(5,048,147)
Plant operation and maintenance	13,107,118	312,108	702,703		(12,092,307)		(12,092,307)
Transportation	7,469,583		588,150		(6,881,433)		(6,881,433)
Community services	2,964,575		2,926,042		(38,533)		(38,533)
Facilities acquisition & construction	578,005				(578,005)		(578,005)
Interest	4,052,899			\$ 434,322	(3,618,577)		(3,618,577)
Total Governmental Activities	171,530,626	11,587,900	54,665,967	434,322	(104,842,437)		(104,842,437)
Business-type Activities							
Food service	5,469,112	2,677,437	3,395,237			\$ 603,562	603,562
Daycare	258,034	3,375,437	16,487			3,133,890	3,133,890
Total Business-type Activities	5,727,146	6,052,874	3,411,724			3,737,452	3,737,452
Total Activities	\$ 177,257,772	\$ 17,640,774	\$ 58,077,691	\$ 434,322	(104,842,437)	3,737,452	(101,104,985)
General Revenues:							
Taxes:							
Property taxes					\$ 67,350,449		\$ 67,350,449
Utility taxes					4,247,281		4,247,281
State grants					50,042,817		50,042,817
Federal grants					436,002	\$ 10,537	446,539
Interest and investment earnings					1,808,451	293,554	2,102,005
Gain on disposition of capital assets					83,554		83,554
Other local					200,078		200,078
Total General Revenues					124,168,632	304,091	124,472,723
Income before operating transfers					19,326,195	4,041,543	23,367,738
Operating transfers in/(out)					1,763,663	(2,045,005)	(281,342)
Change in Net Position					21,089,858	1,996,538	23,086,396
Net Position, Beginning of Year					72,493,323	8,860,703	81,354,026
Net Position, End of Year					\$ 93,583,181	\$ 10,857,241	\$ 104,440,422

See Accompanying Notes to Financial Statements

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds
Oldham County School District
June 30, 2023

	General Fund	Special Revenue Fund	Building Fund	Construction Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 10,254,705		\$ 16,012,655	\$ 17,314,629	\$ 6,554,971	\$ 50,136,960
Investments	17,527,312					17,527,312
Accounts and grants receivable	738,530	\$ 606,215			225	1,344,970
Prepays					377,132	377,132
Due from other funds	88,621					88,621
Total Assets	\$ 28,609,168	\$ 606,215	\$ 16,012,655	\$ 17,314,629	\$ 6,932,328	\$ 69,474,995
Liabilities						
Accounts payable	\$ 266,953	\$ 422,743		\$ 142,621	\$ 82,461	\$ 914,778
Other Payables Accrued	105,549					105,549
Accrued payroll and related liabilities	3,161,274					3,161,274
Interfund payable		183,472				
Current portion of accrued sick leave benefits	477,586					477,586
Total Liabilities	4,011,362	606,215		142,621	82,461	4,842,659
Fund Balances						
Nonspendable					377,132	377,132
Restricted:						
Capital expenditures			\$ 16,012,655	17,172,008	2,788,171	35,972,834
Other					3,634,561	3,634,561
Assigned:						
Future obligations	1,106,173				50,003	1,156,176
Unassigned	23,491,633					23,491,633
Total Fund Balances	24,597,806		16,012,655	17,172,008	6,849,867	64,632,336
Total Liabilities and Fund Balances	\$ 28,609,168	\$ 606,215	\$ 16,012,655	\$ 17,314,629	\$ 6,932,328	\$ 69,474,995

See Accompanying Notes to Financial Statements

**Reconciliation of Total Governmental Fund Balances on Balance Sheet
to Statement of Net Position for Governmental Activities
June 30, 2023**

Total Governmental Fund Balances	\$ 64,632,336
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Amounts reported for Governmental Activities in the Statement of Net Position are different from the Balance Sheet because:

Capital asset activities are not considered financial resources and therefore are not reported as assets in the governmental fund balance sheet	236,843,647
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Deferred losses from refunding bonds are not considered financial resources and therefore are not reported as assets in the governmental funds balance sheet	1,804,233
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Deferred outflows and inflows from CERS pension and OPEBs are not considered financial resources and therefore are not reported as assets or liabilities in the governmental funds balance sheet	12,174,592
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Long-term liabilities, including bonds payable, are not considered due and payable in the government funds balance sheet. Long-term liabilities at year-end consist of:

Bonds Payable (also includes current liability)	(133,176,970)
Net OPEB Liability	(44,395,362)
Net Pension Liability	(42,593,022)
Accrued Interest - Bonds Payable	(1,062,041)
Accrued Sick and Vacation Leave	(644,232)
	(644,232)

Net Position of Governmental Activities	\$ 93,583,181
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See Accompanying Notes to Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Oldham County School District
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Building Fund	Construction Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources:						
Property taxes	\$ 44,655,211		\$ 16,822,100			\$ 61,477,311
Motor vehicle taxes	5,873,138					5,873,138
Utility taxes	4,247,281					4,247,281
Earnings on investments	1,759,249			\$ 28,921	\$ 20,281	1,808,451
Tuition and fees	124,427				2,086,328	2,210,755
Other local	524,318	\$ 179,023			9,759,072	10,462,413
State sources:						
SEEK program	40,808,828				1,203,523	42,012,351
Other state revenues	42,214,407	3,190,218	7,633,479		434,322	53,472,426
Federal sources	436,002	8,773,139				9,209,141
Total Revenues	140,642,861	12,142,380	24,455,579	28,921	13,503,526	190,773,267
Expenditures						
Instruction	87,937,829	5,540,937			11,519,882	104,998,648
Student support services	8,507,033	1,132,429				9,639,462
Instructional staff support services	4,310,743	2,693,899				7,004,642
District administrative support services	2,640,233	86,072				2,726,305
School administrative support services	7,836,765					7,836,765
Business support services	5,509,483	12,496				5,521,979
Plant operations and maintenance	10,555,818				26,297	10,582,115
Transportation	7,524,131					7,524,131
Community services	2,581	161,454				164,035
Day Care Operation		2,764,588				2,764,588
Facility acquisition and construction	1,318,926			6,412,935		7,731,861
Debt Service:						
Principal					10,965,000	10,965,000
Interest					4,231,314	4,231,314
Total Expenditures	136,143,542	12,391,875		6,412,935	26,742,493	181,690,845
Revenues in Excess of /(Less than) Expenditures	4,499,319	(249,495)	24,455,579	(6,384,014)	(13,238,967)	9,082,422
Other Financing Sources/(Uses)						
Proceeds of school building revenue bonds				12,755,000		12,755,000
Discounts on bonds sold				(144,784)		(144,784)
Proceeds from sale of equipment	83,554					83,554
Transfers in	1,936,942	249,495		9,441,287	14,761,992	26,389,716
Transfers out	(188,314)		(24,203,279)	(97,870)	(136,590)	(24,626,053)
Total Other Financing Sources/(Uses)	1,832,182	249,495	(24,203,279)	21,953,633	14,625,402	14,457,433
Net Change in Fund Balances	6,331,501		252,300	15,569,619	1,386,435	23,539,855
Fund Balances, Beginning of Year	18,266,305		15,760,355	1,602,389	5,463,432	41,092,481
Fund Balances, End of Year	\$ 24,597,806	\$	\$ 16,012,655	\$ 17,172,008	\$ 6,849,867	\$ 64,632,336

See Accompanying Notes to Financial Statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
for Total Governmental Funds to the Governmental Activities of the Statement of Activities Report
June 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 23,539,855
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Amounts reported for Governmental Activities in the Statement of Activities report are different from those in the Net Change in Fund Balances portion of the Statement of Revenues, Expenditures and Changes in Fund Balances (Fund Financial Statements) because certain activities from the Statement of Revenues, Expenditures and Changes in Fund Balances are reported as assets or liabilities in the Government-wide reports, and are therefore not reported as revenues or expenses in the Statement of Activities:

Capital asset purchases are reported as expenditures in the Fund Financial Statement; however, they are presented as assets in the Statement of Net Position and depreciated over their estimated economic lives	(1,627,607)
Bond proceeds are recorded as revenues in the Fund Financial Statement but are recorded as liabilities in the Statement of Net Position	(12,610,216)
Bond payments are recognized as expenditures of current financial resources in the Fund Financial Statement but are reductions of liabilities in the Statement of Net Position	10,965,000
Accrued bond interest payable is not reported in the Fund Financial Statements but is a reduction of liabilities in the Statement of Net Position	(45,686)
Capitalized savings from bond refundings are not reported in the Fund Financial Statements but must be amortized over the remaining life of the bonds in the Statement of Net Position	224,101
Changes in Net Pension Liability are not reported as a liability in the Fund Financial Statements but are recorded as a liability in the Statement of Net Position	641,476
Changes in Net OPEB Liability are not reported as a liability in the Fund Financial Statements but are recorded as a liability in the Statement of Net Position	(475,112)
Changes in non-current accrued sick and vacation leave are not reported in the Fund Financial Statements because they are not recognized as an expenditure of current financial resources, but are recorded as a liability in the Statement of Net Position	478,047

Change in Net Position of Statement of Activities for Governmental Activities	\$ 21,089,858
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See Accompanying Notes to Financial Statements

**Statement of Net Position
Proprietary Funds
Oldham County School District
June 30, 2023**

	Food Service	Daycare	Total
Assets			
Cash and cash equivalents	\$ 4,291,541	\$ 4,656,347	\$ 8,947,888
Accounts receivable	16,870		16,870
Inventories	153,292		153,292
Total Current Assets	<u>4,461,703</u>	<u>4,656,347</u>	<u>9,118,050</u>
Non-current Assets			
Capital assets	10,002,511		10,002,511
Accumulated Depreciation	<u>(4,550,153)</u>		<u>(4,550,153)</u>
Total Non-current Assets	<u>5,452,358</u>		<u>5,452,358</u>
Deferred Outflows of Resources			
Deferred outflows from CERS pension liability	794,983	55,833	850,816
Deferred outflows from OPEB liabilities	<u>435,022</u>	<u>30,553</u>	<u>465,575</u>
	<u>1,230,005</u>	<u>86,386</u>	<u>1,316,391</u>
Total Assets	<u>\$ 11,144,066</u>	<u>\$ 4,742,733</u>	<u>\$ 15,886,799</u>
Liabilities			
Accounts payable	\$ 5,557	\$ 19,364	\$ 24,921
Interfund payable		88,622	88,622
Net pension liability	2,903,711	203,934	3,107,645
Net OPEB liability	<u>792,813</u>	<u>55,681</u>	<u>848,494</u>
Total Liabilities	<u>3,702,081</u>	<u>367,601</u>	<u>4,069,682</u>
Deferred Inflows of Resources			
Deferred inflows from CERS pension liability	443,121	31,121	474,242
Deferred inflows from OPEB liabilities	<u>453,765</u>	<u>31,869</u>	<u>485,634</u>
	<u>896,886</u>	<u>62,990</u>	<u>959,876</u>
Net Position			
Net investment in capital assets	5,452,358		5,452,358
Restricted	920,199		920,199
Unrestricted	<u>172,542</u>	<u>4,312,142</u>	<u>4,484,684</u>
Total Net Position	<u>6,545,099</u>	<u>4,312,142</u>	<u>10,857,241</u>
Total Liabilities and Net Position	<u>\$ 11,144,066</u>	<u>\$ 4,742,733</u>	<u>\$ 15,886,799</u>

See Accompanying Notes to Financial Statements

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Oldham County School District
Year Ended June 30, 2023

	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
Operating Revenues			
Lunchroom sales	\$ 2,677,437		\$ 2,677,437
Tuition		\$ 3,375,437	3,375,437
Total Operating Revenues	2,677,437	3,375,437	6,052,874
Operating Expenses			
Salaries, wages and benefits	1,788,548	(186,563)	1,601,985
Contract services	133,754	22,005	155,759
Materials and supplies	3,301,059	193,792	3,494,851
Depreciation	229,868		229,868
Other expenses	15,883	228,800	244,683
Total Operating Expenses	5,469,112	258,034	5,727,146
Operating Income/(Loss)	(2,791,675)	3,117,403	325,728
Non-operating Revenues and (Expenses)			
Federal grants	2,959,107	10,537	2,969,644
Donated commodities	144,117		144,117
On-behalf revenues	234,357	16,487	250,844
State grants	57,656		57,656
Transfers	(162,182)	(1,882,823)	(2,045,005)
Investment income	158,252	135,533	293,785
Other	(231)		(231)
Total Non-operating Revenues/(Expenses)	3,391,076	(1,720,266)	1,670,810
Change in Net Position	599,401	1,397,137	1,996,538
Net Position, Beginning of Year	5,945,698	2,915,005	8,860,703
Net Position, End of Year	\$ 6,545,099	\$ 4,312,142	\$ 10,857,241

See Accompanying Notes to Financial Statements

Statement of Cash Flows
Proprietary Funds
Oldham County School District
Year Ended June 30, 2023

	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash Received From:			
Lunchroom sales	\$ 2,677,437		\$ 2,677,437
Daycare fees		\$ 3,375,437	3,375,437
Cash Paid To/For:			
Employees and contract services	(1,681,536)	(170,872)	(1,852,408)
Materials and supplies	(3,244,428)	(215,751)	(3,460,179)
Other	(15,883)	(228,800)	(244,683)
Net Cash Provided By (Used In) Operating Activities	(2,264,410)	2,760,014	495,604
Cash Flows from Capital and Related Financing Activity			
Purchases of capital assets	(800,449)		(800,449)
Cash Flows from Investing Activity			
Investment income	158,252	135,533	293,785
Cash Flows from Non-capital Financing Activities			
Interfund payable		(1,020,251)	(1,020,251)
Transfers	(162,182)	(1,882,823)	(2,045,005)
Government grants	3,016,532	10,537	3,027,069
	2,854,350	(2,892,537)	(38,187)
Net Increase (Decrease) in Cash and Cash Equivalents	(52,257)	3,010	(49,247)
Balances - Beginning of Year	4,343,798	4,653,337	8,997,135
Balances - End of Year	\$ 4,291,541	\$ 4,656,347	\$ 8,947,888
Reconciliation of Operating Income/(Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income/(Loss)	\$ (2,791,675)	\$ 3,117,403	\$ 325,728
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation	229,868		229,868
Change in Assets and Liabilities:			
Accounts receivable	(8,333)		(8,333)
Inventory	221,489		221,489
On-behalf payments	234,357	16,487	250,844
Change in deferred outflows	(387,612)	55,463	(332,149)
Accounts payable	(20,741)	(21,959)	(42,700)
Change in deferred inflows	(204,644)	(122,493)	(327,137)
Change in unfunded pension liability	416,673	78,216	494,889
Change in unfunded OPEB liabilities	46,208	(363,103)	(316,895)
Net Cash Provided By (Used In) Operating Activities	\$ (2,264,410)	\$ 2,760,014	\$ 495,604
Schedule of Non-cash Transactions:			
Donated commodities received from federal government	\$ 144,117		\$ 144,117
On-behalf payments	\$ 234,357	\$ 16,487	\$ 250,844

See Accompanying Notes to Financial Statements

Statement of Fiduciary Net Position
Fiduciary Fund
Oldham County School District
Year Ended June 30, 2023

	Fiduciary Fund
Assets	
Cash and cash equivalents	<u>\$ 4,931</u>
 Total Assets	 <u><u>\$ 4,931</u></u>
 Net Position	
Restricted - other	<u>\$ 4,931</u>
	<u><u>\$ 4,931</u></u>

See Accompanying Notes to Financial Statements

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Oldham County School District
Year Ended June 30, 2023

	Fiduciary Fund
Additions	
Net interest and investment gains	\$ -
Deductions	
Other expenses	\$ -
Net change in Net position	-
Net position, July 1, 2022	\$ 4,931
Net position, June 30, 2023	\$ 4,931

See Accompanying Notes to Financial Statements

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies

Reporting Entity

The Oldham County Board of Education (the "Board"), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Oldham County School District (the "District"). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all the funds and account groups relevant to the operation of the Oldham County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Parent-Teacher Associations, etc.

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

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Oldham County School District Finance Corporation - The Board authorized the establishment of the Oldham County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Oldham County Board of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

District-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The district-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

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

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

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

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of 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 on pages 84-85. This is a major fund of the District.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.
- (D) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.
- (E) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
 - 1. The Support Education Excellence in Kentucky ("SEEK") Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
 - 2. 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.
 - 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$17,172,008 for ongoing projects.

II. Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs; and, for the payment of interest on general obligation notes payable, as required by Kentucky Law. This is a major fund of the District.

III. Proprietary Fund (Enterprise Fund)

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture ("USDA"). The Food Service fund is a major fund of the District.

The Daycare Fund is used to support the daycare programs at the individual schools. These funds are used to support the resources needed to actively manage these programs.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

IV. Fiduciary Fund Type (Agency and Trust Funds)

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

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The GASB is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations).

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Nonexchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the 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, revenues from nonexchange transactions must also be available before they can be recognized.

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Taxes

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

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP of the United States of America. The major differences between the budgetary basis and the GAAP basis are:

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

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

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are recorded at the lower of cost or market.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and 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 district-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 district-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 one thousand dollars, 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 to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Life in Years</u>
Buildings and improvements	25-50
Land improvements	20
Technology equipment	5
Vehicles	5-10
General equipment	5-15
Food service equipment	5-12
Furniture and fixtures	7
Other	20

Accumulated Unpaid Sick and Vacation Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's experience of making termination payments. The entire compensated absence liability is reported on the district-wide financial statements.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Prepaid Expenses/Expenditures

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund Balance Reserves

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purposes (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets, liabilities and deferred inflows and outflows. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, those revenues are primarily charges for meals provided by the various schools.

Continued

Oldham County School District

June 30, 2023

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Interfund Activity

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (CERS) and Teachers Retirement System of the State of Kentucky ("TRS") 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.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky ("TRS") and additions to deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefits 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.

2. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

3. Cash and Cash Equivalents

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks' trust departments in the District's name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. Capital Assets

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

	Balance June 30, 2022	Additions	Dispositions	Balance June 30, 2023
<u>Governmental Activities</u>				
Cost				
Land	\$ 13,696,302			\$ 13,696,302
Construction in progress	14,458,618	\$ 8,709,347	\$ 1,548,805	21,619,160
Land improvements	5,275,252	62,667		5,337,919
Buildings & building improvements	306,639,180	233,186		306,872,366
Technology equipment	10,300,129	93,890	148,443	10,245,576
Vehicles	16,831,744	1,081,764	463,566	17,449,942
Machinery and equipment	5,568,424	436,810	450	6,004,784
Infrastructure	2,694,931	29,498		2,724,429
Total Assets at cost	\$ 375,464,580	\$ 10,647,162	\$ 2,161,264	\$ 383,950,478
	Balance June 30, 2022	Depreciation	Dispositions	Balance June 30, 2023
Accumulated depreciation				
Land improvements	\$ 2,416,920	\$ 189,811		\$ 2,606,731
Buildings & building improvements	110,292,205	7,972,599		118,264,804
Technology equipment	6,876,351	1,164,753	\$ 148,443	7,892,661
Vehicles	12,626,362	887,616	463,566	13,050,412
Machinery and equipment	2,977,378	377,163	450	3,354,091
Infrastructure	1,804,109	134,023		1,938,132
Total Accumulated depreciation	\$ 136,993,325	\$ 10,725,965	\$ 612,459	\$ 147,106,831
Net Capital Assets				
Depreciable capital assets	\$ 210,316,335			\$ 201,528,185
Non-depreciable capital assets	28,154,920			35,315,462
Capital Assets, Net of Accumulated Depreciation	\$ 238,471,255			\$ 236,843,647

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

4. Capital Assets--Continued

	Balance June 30, 2022	Additions	Dispositions	Balance June 30, 2023
<u>Business-Type Activities</u>				
Cost				
Buildings and improvements	\$ 7,271,547	\$ 23,201		\$ 7,294,748
Food service equipment	1,873,557	713,931		2,587,488
Vehicles	43,409	63,317		106,726
Technology equipment	13,549			13,549
Total Assets at Cost	\$ 9,202,062	\$ 800,449	\$	\$ 10,002,511
	Balance June 30, 2022	Depreciation	Dispositions	Balance June 30, 2023
Accumulated Depreciation				
Buildings and improvements	\$ 2,757,229	\$ 142,931		\$ 2,900,160
Food service equipment	1,516,848	76,449		1,593,297
Vehicles	32,671	10,488		43,159
Technology equipment	13,537			13,537
Total Accumulated Depreciation	\$ 4,320,285	\$ 229,868	\$	\$ 4,550,153
Capital Assets, Net of Accumulated Depreciation	\$ 4,881,777			\$ 5,452,358

Depreciation expense by function for the fiscal year ended June 30, 2023 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 6,552,356	
Instructional staff support services	292	
District administration	84,751	
School administration	201	
Business support services	85	
Plant operations and maintenance	3,130,676	
Food service		\$ 229,868
Student transportation	957,604	
Total Depreciation Expense	\$ 10,725,965	\$ 229,868

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

5. Accumulated Unpaid Sick and Vacation Leave Benefits

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave.

The compensated absence liability for both sick and vacation leave benefits is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of accrued sick and vacation leave is the amount expected to be paid using expendable available resources. This amount is recorded in the accumulated leave payable account in the General Fund. The non-current portion of the liability is not reported.

A summary of the changes in the estimated accrued sick and vacation leave benefits during the fiscal year ended June 30, 2023 is as follows:

Balance as of June 30, 2022	\$ 1,552,458
Additions/increases to estimate	200,855
Less payments of sick hours at retirement	<u>(631,495)</u>
Balance as of June 30, 2023	1,121,818
Less current portion	<u>477,586</u>
Non-current Portion	<u>\$ 644,232</u>

Oldham County School District

June 30, 2023

6. Bonded Debt

The amount shown in the accompanying financial statements as bond obligations represents the District's future obligations to make lease payments relating to the bonds issued.

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

Bond Series	Issue Date	Proceeds	Interest Rates
2012 Refunding	July 16, 2012	\$ 17,820,000	2.00%
2012B Refunding	August 1, 2012	13,035,000	2.00 – 2.40%
2013	August 1, 2013	10,360,000	3.88%
2015	March 28, 2015	18,465,000	2.00 – 4.00%
2016 Refunding	March 1, 2016	28,965,000	2.00 – 5.00%
2016	September 8, 2016	15,565,000	2.00 – 4.00%
2016B Refunding	September 8, 2016	33,485,000	0.05 – 4.00%
2018	September 5, 2018	13,740,000	3.00 – 3.50%
2020 Refunding	November 4, 2020	1,960,000	1.00 – 1.50%
2021 Refunding	August 12, 2021	6,700,000	1.50 – 1.85%
2021B	October 6, 2021	8,800,000	2.00%
2023	May 10, 2023	12,755,000	4.00%

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky ("SEEK") Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Oldham County School District Finance Corporation to construct school facilities.

For the 2012 Refunding, 2012B Refunding, 2013, 2015 and 2016 Refunding 2nd Bonds, the District entered into "participation agreements" with the School Facility Construction Commission (the "Commission"). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The participation agreements generally provide for the Commission to assist the District in meeting bond obligation and are renewable at the Commissions option, bi-annually. Should the Kentucky General Assembly choose to not fund the Commission in the future, the District would be responsible for meeting the full requirements of the bond issues. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bonds issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

6. Bonded Debt--Continued

All issues 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	Oldham County School District		Kentucky School Facility Construction Commission		Total
	Principal	Interest	Principal	Interest	
2024	\$ 13,032,042	\$ 5,903,340	\$ 182,958	\$ 42,554	\$ 19,160,894
2025	11,152,040	3,713,924	182,960	42,554	15,091,478
2026	11,651,287	3,210,753	183,713	42,730	15,088,483
2027	12,185,291	2,676,706	179,709	41,798	15,083,504
2028	13,071,371	2,030,487	168,629	39,221	15,309,708
2029	6,916,371	2,015,496	168,629	39,221	9,139,717
2030	7,096,371	1,879,118	168,629	39,221	9,183,339
2031	7,246,371	1,712,501	168,629	39,221	9,166,722
2032	7,406,372	1,539,075	168,628	39,221	9,153,296
2033	7,578,306	1,375,397	131,694	30,631	9,116,028
2034	7,344,584	1,225,319	30,416	7,075	8,607,394
2035	6,955,000	1,080,563			8,035,563
2036	3,690,000	1,051,188			4,741,188
2037	3,810,000	841,388			4,651,388
2038	2,240,000	949,113			3,189,113
2039	2,315,000	942,325			3,257,325
2040	1,500,000	1,021,050			2,521,050
2041	1,550,000	1,045,800			2,595,800
2042	2,360,000	1,835,300			4,195,300
	<u>\$ 129,100,406</u>	<u>\$ 36,048,843</u>	<u>\$ 1,734,594</u>	<u>\$ 403,447</u>	<u>\$ 167,287,290</u>

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

6. Bonded Debt--Continued

A summary of the changes in the outstanding bonds during the fiscal year ended June 30, 2023 is as follows:

Issue	Balance June 30, 2022	Additions	Payments	Balance June 30, 2023
2012 Refunding	\$ 3,725,000		\$ 1,840,000	\$ 1,885,000
2012B Refunding	9,080,000		4,505,000	4,575,000
2013	6,375,000		395,000	5,980,000
2015	18,230,000		60,000	18,170,000
2016 Refunding	24,635,000		660,000	23,975,000
2016B Refunding	23,165,000		2,135,000	21,030,000
2016	14,430,000		270,000	14,160,000
2018	12,160,000		560,000	11,600,000
2020 Refunding	1,745,000		105,000	1,640,000
2021 Refunding	6,700,000		70,000	6,630,000
2021B	8,800,000		365,000	8,435,000
2023		\$ 12,755,000		12,755,000
Subtotal	129,045,000	12,755,000	10,965,000	130,835,000
Bond Premium	3,830,206	-	924,569	2,905,637
Bond Discount	(559,919)	(144,784)	(141,036)	(563,667)
Totals, net	\$ 132,315,287	\$ 12,610,216	\$ 11,748,533	\$ 133,176,970

7. Retirement Plans

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

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

Benefits provided

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

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components.

Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. One month's 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

Required contributions by the employee are based on the following tier:

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

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

General information about the Teachers' Retirement System of the State of Kentucky ("TRS")

Plan description

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

For Members Before July 1, 2008: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1. Attain age 55 and complete five years of Kentucky service, or
2. Complete 27 years of Kentucky service.

Non-university members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than 10 years. New members after July 1, 2002, who retire with 10 or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is \$440 multiplied by credited service.

For Members On or After July 1, 2008, and Before Jan. 1, 2022: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1. Attain age 60 and complete five years of Kentucky service, or
2. Complete 27 years of Kentucky service, or
3. Attain age 55 and complete 10 years of Kentucky service.

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

Benefits provided

The annual retirement allowance for non-university members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3% of final average salary for years of credited service greater than 30 years.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

For Members On or After Jan. 1, 2022: To qualify for monthly retirement benefits, payable for life, members must either:

1. Attain age 57 and complete 10 years of Kentucky service, or
2. Attain age 65 and complete five years of Kentucky service.

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employers are required to contribute 12.855% for employees hired prior to December 31, 2021 and 14.75% for those hired on and after January 1, 2022 of their salaries to the System. The contribution requirement for TRS for the year ended June 30, 2023, was \$10,147,048, which consisted of \$2,287,243 from the District and \$7,859,805 from the employees. Total contributions for the year ended June 30, 2022 and 2021 were \$10,196,337 and \$9,693,311, respectively. The contributions have been contributed in full for fiscal years 2023, 2022 and 2021.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after that date but prior to December 31, 2021. For employee hired on or after January 1, 2022, the matching contributions are at a rate of 10.75%. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes and additional 3% to the rates noted above. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

Medical Insurance Plan

Plan description

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

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

Funding policy

In order to fund the post-retirement healthcare benefit, 7.50% of the gross annual payroll of employees before July 1, 2008 is contributed. 3.75% is paid by member contributions, 0.75% is contributed by the Commonwealth, and 3.00% is contributed by the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 45,700,667
State's proportionate share of the TRS net pension liability associated with the District	<u>313,286,102</u>
	<u>\$358,986,769</u>

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

The net pension liability for each 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 for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.632184%.

For the year ended June 30, 2023, the District recognized net pension expense of \$3,602,463 related to CERS. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to CERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,860	\$ 406,984
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	6,218,492	5,046,893
Changes in proportion and differences between District contributions and proportionate share of contributions	2,028,214	1,520,272
District contributions after the measurement date	<u>4,216,444</u>	
Total	<u><u>\$ 12,512,010</u></u>	<u><u>\$ 6,974,149</u></u>

\$4,216,444 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ (423,055)
2024	830,258
2025	(384,042)
2026	1,298,256

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

Actuarial assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>TRS</u>
Inflation (price / wage)	2.30%	2.50%
Projected salary increases (annually)	3.30 – 10.30%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

For CERS, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

For TRS, Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 with a setback of 2 years for males and 1 year for females.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2010 through 2015, is outlined in a report dated August 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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June 30, 2023

7. Retirement Plans--Continued

CERS Asset Classes	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	50.00%	4.45%
Private equity	10.00%	10.15%
Core bonds	10.00%	0.28%
Specialty credit/high yield	10.00%	2.28%
Cash	0.00%	-0.91%
Real estate	7.00%	3.67%
Real return	13.00%	4.07%
Total	100.00%	

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

TRS Asset Classes	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equity	37.40%	4.20%
Small cap U.S. equity	2.60%	4.70%
Developed ineternational equity	16.50%	5.30%
Emerging markets equity	5.50%	5.40%
Fixed income	15.00%	-0.10%
High yield bonds	2.00%	1.70%
Additional categories*	5.00%	2.20%
Real estate	7.00%	4.00%
Private equity	7.00%	6.90%
Cash	2.00%	-0.30%
Total	100.00%	

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued

Discount rate

For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For TRS, 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 statutorily required rates. 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 employees until the 2038 plan year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through 2035 and a municipal bond index rate of 3.50% was applied to all periods of projected benefit payments after 2035. The Single Equivalent Interest Rate ("SEIR") that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payments streams was used to determine the total pension liability.

Continued

Oldham County School District

June 30, 2023

7. Retirement Plans--Continued**Sensitivity of CERS and TRS proportionate share of net pension liability to changes in the discount rate**

The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 57,120,163	\$ 45,700,667	\$ 36,255,795

Pension Plan Fiduciary Net Position

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

8. OPEB Plans**General information about the Teachers' Retirement System OPEB Plan****Plan description**

Teaching-certified employees of the Oldham County Schools are provided other post employment benefits (OPEB) 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 provided 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 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/administration/financial-reports-information/>.

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

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

Medical Insurance Plan

Plan description

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

Benefits provided

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

Contributions

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

General information about the County Employees Retirement System Non-Hazardous OPEB Plan

Plan description

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

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

Benefits

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 7 for tier classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 7.

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

At June 30, 2023, the Oldham County School District reported a liability of \$45,243,856 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 1.319879% for TRS and 0.632266% for CERS.

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

District's proportionate share of the CERS net OPEB liability	\$ 12,477,856
District's proportionate share of the TRS net OPEB liability	32,766,000
State's proportionate share of the net OPEB liability associated with the District.	<u>10,764,000</u>
	<u>\$ 56,007,856</u>

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

For the year ended June 30, 2023, the District recognized net OPEB expense of \$1,803,394 and revenue of \$449,876 for support provided by the Commonwealth. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to CERS OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,256,000	\$ 2,861,462
Changes of assumptions	1,973,460	1,626,120
Net difference between projected and actual earnings on OPEB investments	2,323,505	1,817,060
Changes in proportion and differences between District contributions and proportionate share of contributions	688,276	837,035
District contributions after the measurement date	605,438	
Total	<u><u>\$ 6,846,679</u></u>	<u><u>\$ 7,141,677</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$605,438 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ending June 30	
2023	\$ (112,171)
2024	(140,919)
2025	(834,801)
2026	187,455

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

For the year ended June 30, 2023, the District recognized net OPEB expense of (\$882,000) and revenue of \$5,75,327 for MIF and \$40,864 for LIF for support provided by the Commonwealth. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to TRS OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 13,774,000
Changes of assumptions	\$ 6,654,000	
Net difference between projected and actual earnings on OPEB investments	1,742,000	
Changes in proportion and differences between District contributions and proportionate share of contributions	10,493,001	114,000
District contributions after the measurement date	<u>2,287,243</u>	
Total	<u>\$ 21,176,244</u>	<u>\$ 13,888,000</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,287,243 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ending June 30	
2024	\$ (18,000)
2025	135,000
2026	300,000
2027	2,198,000
2028	1,694,000
Thereafter	692,001

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued**Actuarial assumptions**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS	TRS
Inflation	2.30%	2.50%
Projected salary increases	3.30 - 10.30%	3.00 - 7.50%
Investment rate of return	6.25%	7.10%
Real wage growth	2.00%	0.25%
Wage inflation		2.75%
Healthcare trend rates		
Under 65	6.40 % at 1/1/22 decreasing to an ultimate rate of 4.05% by FY2036	7.00% for FY2022 decreasing to an ultimate rate of 4.5% by FY2032
Ages 65 and older	6.30% at 1/1/22 decreasing to an ultimate rate of 4.05% by FY2036	5.125% for FY 2022 decreasing to an ultimate rate of 4.5% by FY2025
Medicare part B premiums		6.97% for FY 2022 with an ultimate rate of 4.50% by 2034
Municipal bond index rate	3.69%	3.37%
Discount rate	5.70%	7.10%
Single equivalent interest rate		7.10%, net of OPEB plan investment expense, including inflation

For TRS, 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 actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	58.00%	5.10%
Fixed income	9.00%	-0.10%
Real estate	6.50%	4.00%
Private equity	8.50%	6.90%
Additinoal category: high yield	8.00%	1.70%
Other additional categories	9.00%	2.20%
Cash (LIBOR)	1.00%	-0.30%
Total	100.00%	

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued**Discount rate**

For TRS, the discount rate used to measure the total OPEB 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 statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

For CERS, the discount rate used to measure the total OPEB liability was 5.20%. 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 statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the District's proportionate share of the collective net OPEB liability for CERS and TRS, calculated using the discount rate, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
CERS Discount Rate	4.70%	5.70%	6.70%
Net OPEB Liability	\$ 16,680,903	\$ 12,477,856	\$ 9,003,335

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 9,277,008	\$ 12,477,856	\$ 16,321,469

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

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

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
TRS Discount Rate	6.10%	7.10%	8.10%
District's Proportionate Share of Net OPEB Liability	\$ 41,111,000	\$ 32,766,000	\$ 25,858,000
	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of Net OPEB Liability	\$ 24,564,000	\$ 32,766,000	\$ 42,968,000

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 five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit funded by the Life Insurance Fund (LIF) 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.

Continued

Oldham County School District

June 30, 2023

8. OPEB Plans--Continued

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

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

District's proportionate share of the net OPEB liability -	\$ -
State's proportionate share of the District's net OPEB liability	<u>535,000</u>
Total	<u>\$ 535,000</u>

For the year ended June 30, 2023, the District recognized OPEB expense of \$-0- and revenue of \$40,864 for support provided by the State.

Actuarial assumptions

The total OPEB liability in the June 30, 2022 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%
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 RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

Oldham County School District

June 30, 2023

9. Postemployment Benefits

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2015.

The long-term expected rate of return on OPEB plan investments was determined based on the allocation of assets by asset class and by the mean and variance of real returns. The municipal bond rate is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	40.00%	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	2.00%	(0.30%)
Total	100.00%	

Discount rate

The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Oldham County School District

June 30, 2023

10. Commitments and 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 the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2023 may be impaired. 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 the programs.

11. 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 are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated, which includes workers' compensation insurance.

12. Risk Management

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 errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days' notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District is self-insured for unemployment insurance benefits. The District reimburses the state for any claims paid. The District purchases workers' compensation insurance through the Kentucky School Boards Insurance Trust. 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.

13. COBRA

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

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2023

14. Transfer of Funds

The following transfers were made during the year:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	General	Special Revenue	Technology Matching	\$ 183,314
Operating	General	Special Revenue	Community Education	5,000
Operating	Special Revenue District Activities	Special Revenue	Technology Matching	136,590
Operating	Building	Construction	Construction	9,441,287
Operating	Building	Debt Service	Debt Service	14,761,992
Operating	Day Care	General	Operating	1,882,823
Operating	Food Service	General	Indirect Costs	201,073

Oldham County School District

June 30, 2023

15. On-Behalf Payments

For the year ended June 30, 2023 total payments of \$42,502,586 were made for life insurance, health insurance, KTRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

Retirement contributions to TRS	\$ 28,584,583
Health insurance and other payroll-related payments	12,658,723
Other post-employment benefits	616,191
Debt service	434,322
Technology	208,767
	<hr/>
	\$ 42,502,586

16. Adoption of New GASB Pronouncements

Effective July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The objective of this statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance and consistency of information about SBITAs. This statement establishes that a SBITA results in an intangible asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, and required note disclosures. The adoption during the year did not result in any adjustments or disclosures due to the immaterial nature of the affected IT arrangements.

Continued

Oldham County School District

June 30, 2023

17. Recent GASB Pronouncements

The GASB has issued several reporting standards that will become effective for fiscal year 2024 and later years' financial statements.

Statement No. 100, *Accounting changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide for more understandable, reliable, relevant, consistent, and comparable information for making decisions or accessing accountability.

Statement No. 101, *Compensated Absences*, this Statement updates the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

The District is currently evaluating the impact that will result from adopting these GASB standards and is therefore unable to disclose the impact that adopting these standards will have on the District's financial position and the results of its operations when the standards are adopted.

18. Subsequent Events

The District's management has evaluated subsequent events through February 9, 2024, the date which the financial statements were available for issue. No subsequent events were of such a nature as to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Oldham County School District
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 54,065,334	\$ 54,065,334	\$ 54,775,630	\$ 710,296
Earnings on investments	1,360,434	1,360,434	1,759,249	398,815
State sources:	82,609,306	82,609,306	83,023,235	413,929
Federal sources	305,000	305,000	436,002	131,002
Other sources	503,700	503,700	648,744	145,044
Total Revenues	138,843,774	138,843,774	140,642,860	1,799,086
Expenditures				
Instructional	88,231,114	88,231,114	87,937,829	293,285
Student support services	9,099,249	9,099,249	8,507,033	592,216
Staff support services	4,936,637	4,936,637	4,310,743	625,894
District administration	3,044,654	3,044,654	2,640,233	404,421
School administration	7,925,007	7,925,007	7,836,765	88,242
Business support services	7,653,172	7,653,172	5,509,483	2,143,689
Plant operation and maintenance	10,797,190	10,797,190	10,555,818	241,372
Student transportation	8,382,316	8,382,316	7,524,131	858,185
Community service operations	4,600	4,600	2,581	2,019
Facility acquisition and construction	1,585,156	1,585,156	1,318,926	266,230
Debt service				
Principal				-
Interest				-
Transfers	5,000	5,000		5,000
Contingency	16,027,324	16,027,324		16,027,324
Total Expenditures	157,691,419	157,691,419	136,143,542	21,547,877
Excess/(Deficit) of Revenues over Expenditures	(18,847,645)	(18,847,645)	4,499,318	(19,748,791)
Other Financing Sources/(Uses)				
Proceeds from sale of assets	5,500	5,500	83,554	78,054
Operating transfers in	736,370	736,370	1,936,942	1,200,572
Operating transfers out			(188,314)	(188,314)
Total Other Financing Sources/(Uses)	741,870	741,870	1,832,182	1,090,312
Net Change in Fund Balance	(18,105,775)	(18,105,775)	6,331,500	24,437,275
Fund Balance, July 1, 2022	18,266,305	18,266,305	18,266,305	
Fund Balance, June 30, 2023	\$ 160,530	\$ 160,530	\$ 24,597,805	\$ 24,437,275

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund
Oldham County School District
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources:	\$ 2,018,895	\$ 1,945,441	\$ 2,447,158	\$ 501,717
Federal sources	4,815,351	4,800,108	9,516,199	4,716,091
Other sources	100,825	100,825	179,023	78,198
Total Revenues	6,935,071	6,846,374	12,142,380	5,296,006
Expenditures				
Instructional	3,218,104	3,033,142	5,540,937	(2,507,795)
Student support services	744,875	822,251	1,132,429	(310,178)
Staff support services	3,095,434	3,144,291	2,693,899	450,392
District administration		-	86,072	(86,072)
Business support services	12,496	12,496	12,496	-
Plant operation and maintenance				-
Student transportation				-
Daycare operations		-	2,764,588	(2,764,588)
Community service operations	162,076	162,076	161,454	622
Total Expenditures	7,232,985	7,174,256	12,391,875	(5,217,619)
Excess/(Deficit) of Revenues over Expenditures	(297,914)	(327,882)	(249,495)	10,513,625
Other Financing Sources/(Uses)				
Operating transfers in	297,914	271,425	432,967	161,542
Total Other Financing Sources/(Uses)	297,914	271,425	432,967	161,542
Net Change in Fund Balance		(56,457)	183,472	239,929
Fund Balance, July 1, 2022				
Fund Balance, June 30, 2023	\$ -	\$ (56,457)	\$ 183,472	\$ 239,929

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Building Fund
Oldham County School District
Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 16,822,100	\$ 16,822,100	\$ 16,822,100	\$ -
Earnings on investments				-
State sources	<u>7,633,479</u>	<u>7,633,479</u>	<u>7,633,479</u>	<u>-</u>
Total Revenues	24,455,579	24,455,579	24,455,579	-
Expenditures				
District administration				-
Facility acquisition and construction	<u>252,300</u>	<u>252,300</u>	<u>-</u>	<u>252,300</u>
Total Expenditures	<u>252,300</u>	<u>252,300</u>	<u>-</u>	<u>252,300</u>
Excess/(Deficit) of Revenues over Expenditures	24,203,279	24,203,279	24,455,579	(252,300)
Other Financing Sources/(Uses)				
Operating transfers out	<u>(24,203,279)</u>	<u>(24,203,279)</u>	<u>(24,203,279)</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(24,203,279)</u>	<u>(24,203,279)</u>	<u>(24,203,279)</u>	<u>-</u>
Net Change in Fund Balance	-	-	252,300	252,300
Fund Balance, July 1, 2022			<u>15,760,355</u>	<u>15,760,355</u>
Fund Balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,012,655</u>	<u>\$ 16,012,655</u>

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Construction Fund
Oldham County School District
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ (45,069)	\$ (45,069)	\$ 28,921	\$ 73,990
State sources	485,085	485,085		(485,085)
Other sources	1,900	1,900		(1,900)
Total Revenues	441,916	441,916	28,921	(412,995)
Expenditures				
Facility acquisition and construction	(15,633,514)	(15,633,514)	6,412,935	(22,046,449)
Total Expenditures	(15,633,514)	(15,633,514)	6,412,935	(22,046,449)
Excess/(Deficit) of Revenues over Expenditures	16,075,430	16,075,430	(6,384,014)	21,633,454
Other Financing Sources/(Uses)				
Loan and bond proceeds from refunds			12,755,000	12,755,000
Bond discount	(12,512,346)	(12,512,346)	(144,784)	12,367,562
Operating transfers in	(9,441,287)	(9,441,287)	9,441,287	18,882,574
Operating transfers out	(4,358,436)	(4,358,436)	(97,870)	4,260,566
Total Other Financing Sources/(Uses)	(26,312,069)	(26,312,069)	21,953,633	48,265,702
Net Change in Fund Balance	(10,236,639)	(10,236,639)	15,569,619	25,806,258
Fund Balance, July 1, 2022			1,602,389	1,602,389
Fund Balance, June 30, 2023	<u>\$ (10,236,639)</u>	<u>\$ (10,236,639)</u>	<u>\$ 17,172,008</u>	<u>\$ 27,408,647</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
Oldham County School District
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
State sources	\$ 434,323	\$ 434,323	\$ 434,322	\$ (1)
Total Revenues	434,323	434,323	434,322	(1)
Expenditures				
Debt Service				-
Principal	10,946,562	10,946,562	10,965,000	(18,438)
Interest	4,249,753	4,249,753	4,231,314	18,439
Other			97,870	(97,870)
Total Expenditures	15,196,315	15,196,315	15,294,184	(97,869)
Excess/(Deficit) of Revenues over Expenditures	(14,761,992)	(14,761,992)	(14,859,862)	97,868
Other Financing Sources/(Uses)				
Loan and bond proceeds from refunds				-
Refinanced bonds				-
Bond discount				-
Operating transfers in	14,761,992	14,761,992	14,859,862	(97,870)
Total Other Financing Sources/(Uses)	14,761,992	14,761,992	14,859,862	(97,870)
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1, 2022			377,132	377,132
Fund Balance, June 30, 2023	\$ -	\$ -	\$ 377,132	\$ 377,132

Schedule of District's Proportionate Share of the Net Pension Liability – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.6321840%	0.591895%	0.656079%	0.639930%	0.647581%	0.647577%	0.666663%	0.666661%	0.654827%	*
District's proportionate share of the net pension liability	\$ 45,700,667	\$ 37,737,949	\$ 50,320,716	\$ 45,006,562	\$ 39,439,657	\$ 37,904,673	\$ 32,823,925	\$ 28,663,271	\$ 21,245,000	\$ -
Total net pension liability	\$ 7,229,013,496	\$ 6,375,784,388	\$ 7,699,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	\$ -
District's covered-employee payroll	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	\$ 15,022,785	*	*
District's proportionate share of the net pension liability as a percentage of employee covered payroll	261.30%	248.93%	295.04%	274.78%	203.76%	204.24%	204.31%	190.80%	140.25%	*
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	68.80%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2023

	<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>	<u>2014</u>
Contractually required contributions	\$ 4,216,444	\$ 3,509,603	\$ 2,964,739	\$ 3,303,691	\$ 3,518,205	\$ 2,615,773	\$ 2,418,417	\$ 2,740,874	\$ 2,668,047	\$ 2,860,339
Contributions in relation to the contractually required contributions	<u>(4,216,444)</u>	<u>(3,509,603)</u>	<u>(2,964,739)</u>	<u>(3,303,691)</u>	<u>(3,518,205)</u>	<u>(2,615,773)</u>	<u>(2,418,417)</u>	<u>(2,740,874)</u>	<u>(2,668,047)</u>	<u>(2,860,339)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 20,385,653	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	\$ 15,022,785	\$ 15,148,080
Contributions as a percentage of covered-employee payroll	20.68%	20.07%	19.56%	19.37%	21.48%	13.51%	13.03%	17.06%	17.76%	18.88%

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of Commonwealth of Kentucky's Proportionate Share of the Net Pension Liability – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sate's proportionate share of the net pension liability associated with the District	313,286,102	242,875,664	258,779,560	242,291,849	227,259,413	464,913,222	506,558,743	394,337,603	327,037,306	242,875,664
Total	\$ 313,286,102	\$ 242,875,664	\$ 258,779,560	\$ 242,291,849	\$ 227,259,413	\$ 464,913,222	\$ 506,558,743	\$ 394,337,603	\$ 327,037,306	\$ 242,875,664
District's covered-employee payroll	\$ 61,543,406	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*
District's proportionate share of the net pension liability as a percentage of employee covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	*
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.76%	69.27%	39.83%	35.22%	42.49%	45.59%	*

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of Commonwealth of Kentucky's Contributions – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2023

	<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>	<u>2014</u>
Contractually required contributions	\$ 2,287,243	\$ 2,280,873	\$ 2,012,148	\$ 2,020,581	\$ 1,940,435	\$ 1,921,435	\$ 1,862,857	\$ 1,878,864	\$ 1,457,974	\$ 762,179
Contributions in relation to the contractually required contributions	<u>(2,287,243)</u>	<u>(2,280,873)</u>	<u>(2,012,148)</u>	<u>(2,020,581)</u>	<u>(1,940,435)</u>	<u>(1,921,435)</u>	<u>(1,862,857)</u>	<u>(1,878,864)</u>	<u>(1,457,974)</u>	<u>(762,179)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 53,372,768	\$ 61,543,406	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*
Contributions as a percentage of covered-employee payroll	4.29%	3.71%	3.37%	3.45%	3.45%	3.76%	3.86%	4.05%	*	*

Note: The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	0.632266%	0.591756%	0.655894%	0.639766%	0.647556%	0.647577%	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 11,426,725	\$ 11,328,873	\$ 15,837,845	\$ 10,760,576	\$ 11,497,228	\$ 13,018,513	\$ 10,211,333	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*
Total net OPEB liability	\$ 11,426,725	\$ 11,328,873	\$ 15,837,845	\$ 10,760,576	\$ 11,497,228	\$ 13,018,516	\$ 10,211,333	*	*	*
District's covered employee payroll	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	65.3%	74.7%	92.9%	65.7%	59.4%	70.1%	63.6%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	56.41%	62.91%	51.67%	60.44%	57.62%	52.40%	52.40%	*	*	*

See Independent Auditors' Report

Schedule of the District Contributions – OPEB County Employees Retirement System

Oldham County School District

Year Ended June 30, 2023

	<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>	<u>2014</u>
Contractually required contributions	\$ 604,760	\$ 958,219	\$ 731,200	\$ 814,798	\$ 548,272	\$ 754,361	\$ 748,836	\$ 745,775	*	*
Contributions in relation to the contractually required contributions	<u>(604,760)</u>	<u>(958,219)</u>	<u>(731,200)</u>	<u>(814,798)</u>	<u>(548,272)</u>	<u>(754,361)</u>	<u>(748,836)</u>	<u>(745,775)</u>	<u>*</u>	<u>*</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>
District's covered payroll	\$ 17,998,814	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,370,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*
Contributions as a percentage of covered-employee payroll	3.360%	5.48%	4.82%	4.78%	5.18%	3.90%	4.03%	4.64%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability – Teachers Retirement System – Medical Insurance Fund

Oldham County School District

Year Ended June 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	1.319879%	0.982234%	0.967100%	0.936772%	0.887195%	0.901353%	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 32,766,000	\$ 21,076,000	\$ 24,407,000	\$ 27,417,000	\$ 30,783,000	\$ 32,140,000	\$ 31,821,000	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ 10,764,000	\$ 17,116,000	\$ 19,551,000	\$ 22,141,000	\$ 26,529,000	\$ 26,254,000	\$ 25,993,000	*	*	*
Total net OPEB liability	\$ 43,530,000	\$ 38,192,000	\$ 43,958,000	\$ 49,558,000	\$ 57,312,000	\$ 58,394,000	\$ 58,814,000	*	*	*
District's covered employee payroll	\$ 61,543,406	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	53.2%	35.3%	41.7%	48.8%	60.3%	66.7%	68.5%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	51.74%	39.08%	32.58%	25.54%	21.18%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District Contributions OPEB – Teachers Retirement System – Medical Insurance Fund

Oldham County School District

Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,287,243	\$ 2,291,835	\$ 2,021,505	\$ 2,011,528	\$ 1,580,373	\$ 1,938,662	\$ 1,921,436	\$ 1,544,272	*	*
Contributions in relation to the contractually required contributions	<u>(2,287,243)</u>	<u>(2,291,835)</u>	<u>(2,021,505)</u>	<u>(2,011,528)</u>	<u>(1,580,373)</u>	<u>(1,938,662)</u>	<u>(1,921,436)</u>	<u>(1,544,272)</u>	<u>*</u>	<u>*</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>
District's covered payroll	\$ 53,372,768	\$ 61,543,406	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*
Contributions as a percentage of covered-employee payroll	4.285%	3.72%	3.38%	3.43%	2.81%	3.80%	3.98%	3.33%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

See Independent Auditors' Report

Schedule of the District Proportionate Share of the Net OPEB Liability – Teachers Retirement System – Life Insurance Fund

Oldham County School District

Year Ended June 30, 2023

	<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 the collective trust OPEB liability	0.632266%	0.591756%	0.655894%	0.639766%	0.647556%	0.647577%	*	*
District's proportionate share of the collective net OPEB liability	\$ 11,426,725	\$ 11,328,873	\$ 15,837,845	\$ 10,760,576	\$ 11,497,228	\$ 13,018,513	\$ 10,211,333	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
Total net OPEB liability	\$ 11,426,725	\$ 11,328,873	\$ 15,837,845	\$ 10,760,576	\$ 11,497,228	\$ 13,018,516	\$ 10,211,333	*
District's covered employee payroll	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	65.3%	74.7%	92.9%	65.7%	59.4%	70.1%	63.6%	*
Plan fiduciary net position as a percentage of the total OPEB liability	56.41%	62.91%	51.67%	60.44%	57.62%	52.40%	52.40%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District OPEB Contributions – Teachers Retirement System – Life Insurance Fund

Oldham County School District

Year Ended June 30, 2023

	<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>	<u>2014</u>
Contractually required contributions	\$ 604,760	\$ 958,219	\$ 731,200	\$ 814,798	\$ 548,272	\$ 754,361	\$ 748,836	\$ 745,775	*	*
Contributions in relation to the contractually required contributions	<u>(604,760)</u>	<u>(958,219)</u>	<u>(731,200)</u>	<u>(814,798)</u>	<u>(548,272)</u>	<u>(754,361)</u>	<u>(748,836)</u>	<u>(745,775)</u>	<u>*</u>	<u>*</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>
District's covered payroll	\$ 17,998,814	\$ 17,489,693	\$ 15,159,918	\$ 17,055,476	\$ 16,370,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*
Contributions as a percentage of covered-employee payroll	3.360%	5.48%	4.82%	4.78%	5.18%	3.90%	4.03%	4.64%	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

See Independent Auditors' Report

Notes to Required Supplementary Information – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2023

Changes of Benefit Terms

2023	None
2022	None
2021	None
2020	None
2019	None
2018	None
2017	None
2016	None

Changes of Assumptions

2021	Pension and OPEB - the salary increase assumption changed from 3.30% - 10.30% to 3.30% - 11.55% OPEB - single discount rate hanged from 5.68% to 5.34%
2020	Pension and OPEB - the salary increase assumption changed from 3.05% to 3.30% - 10.30% OPEB - single discount rate changed from 5.85% to 5.68%
2019	Pension and OPEB - the salary increases assumption was changed from 2.00% to 3.05% OPEB, the single discount rate changed from 5.84% to 5.85%
2018	Pension and OPEB - the assumed investment return was changed from 7.50% to 6.25%; the prince inflation assumption was changed from 3.25% to 2.40%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service; and the payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%. OPEB - the single discount rate changed from 6.89 to 5.84%
2017	None
2016	Pension -the assumed investment rate of return was decreased from 7.75% to 7.50%; the assumed rate of inflation was reduced from 3.50% to 3.25%; the assumed rate of wage inflation was reduced from 1.00% to 0.75%; payroll growth assumption was reduced from 4.50% to 4.00%; and the assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience

See Independent Auditors' Report

Notes to Required Supplementary Information – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2023

Pension:

Changes of Benefit Terms

2023	None
2022	None
2021	None
2020	None
2019	None
2018	None
2017	None
2016	None

Changes of Assumptions

2021	The municipal bond index rate decreased from 3.50% to 2.19%
2020	The municipal bond index rate decreased from 3.89% to 3.50%
2019	The municipal bond index rate increased from 3.56% to 3.89%
	The discount rate increased from 4.49% to 7.5%
2018	The municipal bond index rate increased from 3.01% to 3.56%
	The discount rate increased from 4.20% to 4.49%
2017	The municipal bond index rate decreased from 3.82% to 3.01%
	The discount rate decreased from 4.88% to 4.20%
2016	The municipal bond index rate decreased from 4.35% to 3.82%

Medical Insurance Plan

Changes of Benefit Terms

2023	None
2022	None
2021	None
2020	None
2019	None
2018	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 those KEHP-participating members who retired on or after July 1, 2010

Continued

Notes to Required Supplementary Information – Teachers Retirement System--Continued

Oldham County School District

Year Ended June 30, 2023

Changes of Assumptions

2021	The municipal bond index rate decreased from 3.50% to 2.19%
	Health Care Cost Trends for Under Age 65 decreased from 7.5% to 7.25%
	Health Care Cost Trends for Ages 65 and Older decreased from 5.50% to 5.25%
	Health Care Cost Trends for Medicare Part B Premiums increased from 2.63% to 6.49%
2020	The municipal bond index rate decreased from 3.89% to 3.50%
	Health Care Cost Trends for Under Age 65 decreased from 7.75% to 7.50%
	Health Care Cost Trends for Ages 65 and Older decreased from 5.75% to 5.50%
	Health Care Cost Trends for Medicare Part B Premiums increased from 0.00% to 2.63%
2019	The municipal bond index rate increased from 3.56% to 3.89%
	Health Care Costs Trends for Medicare Part B Premiums decreased from 1.02% to 0.00%
2018	None

Life Insurance Plan

Changes of Benefit Terms

2023	None
2022	None
2021	None
2020	None
2019	None
2018	None

Changes of Assumptions

2021	The municipal bond index rate decreased from 3.50% to 2.19%
2020	The municipal bond index rate decreased from 3.89% to 3.50%
2019	The municipal bond index rate increased from 3.56% to 3.89%
2018	None

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT/GROUPS
SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance 7/1/2022	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2023	Accounts Receivable 6/30/2023	Accounts Payable 6/30/2023	Due To Students & Others 6/30/2023
High Schools								
Arvin Career Center	\$ 3,956	\$ 66,448	\$ (68,410)	\$ -	\$ 1,994			\$ 1,994
North Oldham	214,502	949,270	(860,405)	-	303,367	\$ 1,717	\$ 43,359	261,725
Oldham	292,143	924,354	(991,603)	-	224,894	-	31,586	193,308
South Oldham	234,209	1,223,483	(1,267,378)	-	190,314	100	8,969	181,445
Middle Schools								
East Oldham	52,753	109,698	(107,526)	-	54,925	-	21,135	33,790
North Oldham	109,193	433,111	(433,579)	-	108,725	-	7,046	101,679
Oldham County	126,870	146,384	(158,383)	-	114,871	-	4,935	109,936
South Oldham	75,839	425	(11,559)	-	64,705	-	280	64,425
Elementary Schools								
Buckner	1,923	131,429	(131,229)	-	2,123		638	1,485
Camden	6,552	46,790	(47,451)	-	5,891			5,891
Centerfield	10,671	131,645	(131,491)	-	10,825			10,825
Crestwood	21,992	130,624	(128,568)	-	24,048			24,048
Goshen	4,501	202,526	(202,316)	-	4,711	502	430	4,783
Harmony	6,174	102,758	(102,081)	-	6,851			6,851
Kenwood	12,693	148,582	(149,984)	-	11,291			11,291
Lagrange	11,214	503	(829)	-	10,888			10,888
Locust Grove	13,708	97,900	(92,171)	-	19,437	6	1,254	18,189
Total	\$ 1,198,892	\$ 4,845,930	\$ (4,884,963)	\$ -	\$ 1,159,859	\$ 2,325	\$ 119,632	\$ 1,042,552

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
ARVIN CAREER CENTER SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance 7/1/2022	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2023	Due To Students & Others 6/30/23
Automotive Field Trips	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ 30
Biomedical Field Trips	1,785	798	(1,192)	(1,202)	189	189
Culinary Field Trips	-	547	(487)	-	60	60
Engineering Field Trips	311	-	(261)	-	50	50
Field Trip	409	-	(285)	-	124	124
General Fund	2	825	(824)	-	3	3
Indigent Fund	250	-	(62)	-	188	188
HOSA	-	11,170	(12,343)	1,366	193	193
Automotive Club	-	2,437	(2,426)	313	324	324
FBLA	-	1,460	(1,363)	137	234	234
Nursing Field Trips	-	-	-	-	-	-
OCBE Transfer Acc	-	48,678	(48,678)	-	-	-
Staff Vend/Hospitality	10	101	(89)	-	22	22
Start Up Cash Fund	-	400	(400)	-	-	-
Student Vending	1,132	32	-	(614)	550	550
YATP	27	-	-	-	27	27
	<u>\$ 3,956</u>	<u>\$ 66,448</u>	<u>\$ (68,410)</u>	<u>\$ -</u>	<u>\$ 1,994</u>	<u>\$ 1,994</u>

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
NORTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance 7/1/2022	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2023	Accounts Receivable 6/30/2023	Accounts Payable 6/30/2023	Due To Students & Others 6/30/2023
Academic Team Club	\$ 260	\$ 951	\$ (1,023)	\$ -	\$ 188			\$ 188
Aces	180	-	-	(180)	-			-
Archery	1,529	13,770	(11,525)	-	3,774			3,774
Athletics	6,601	73,906	(26,729)	4,436	58,214		\$ 500	57,714
Band	-	5,865	(4,068)	-	1,797		26	1,771
Band - Marching	-	7,350	(4,655)	-	2,695		1,233	1,462
Baseball	479	456	(252)	-	683			683
Basketball - Boys	9,668	30,503	(28,071)	(99)	12,001		7,118	4,883
Basketball - Girls	5,152	14,776	(15,797)	-	4,131		244	3,887
Bass Fishing	683	456	(154)	-	985			985
Beta Club	584	5,250	(5,395)	-	439			439
Broadcast	986	-	-	-	986			986
Cast	825	2,191	(2,426)	-	590			590
Chamber Music Club	-	235	(201)	-	34			34
Cheerleading	3,110	26,256	(26,960)	-	2,406		13	2,393
Chorus	3,346	10,140	(7,530)	85	6,041			6,041
Class of 2022	-	-	-	-	-			-
Class of 2023	9,263	30,777	(34,905)	-	5,135		500	4,635
Class of 2024	415	19,284	(13,048)	-	6,651	\$ 1,418		8,069
Class of 2025	720	125	-	-	845			845
Class of 2026	-	135	(135)	-	-			-
Class of 2027	-	-	-	-	-			-
Cross Country - Boys	12,459	7,316	(11,719)	9,212	17,268		1,800	15,468
Cross Country - Girls	1,683	1,538	(10,554)	9,227	1,894			1,894
Dance Team	7,535	1,217	(861)	929	8,820		3,216	5,604
Debate	550	50	(100)	-	500			500
District Tournament	-	2,710	-	(2,710)	-			-
Drama/creative writing	278	4,425	(3,582)	(205)	916			916
Environmental Club	118	-	-	-	118			118
Fall Theater	5,403	-	-	(5,403)	-			-
FCA	130	-	-	-	130			130
Field Hockey	9,708	18,784	(23,921)	(333)	4,238		3,000	1,238
Field Trips	2,235	995	(689)	-	2,541			2,541
Field Trips Art	762	-	-	(762)	-			-
Field Trips English	370	-	-	(370)	-			-
Football	12,945	56,187	(29,244)	(308)	39,580		21,794	17,786
From Scratch	1,596	400	(175)	-	1,821			1,821
Gay/Straight Alliance	176	-	-	-	176			176
General	4,528	1,811	(1,745)	2,246	6,840			6,840
Girl Up	2,147	1,536	(229)	-	3,454			3,454
Golf - Boys	-	793	(725)	-	68			68
Golf - Girls	1,544	1,548	(2,790)	(42)	260			260
ITS	-	110	(255)	145	-			-
KYA/KUNA Y Clubs	7,701	21,140	(25,640)	-	3,201			3,201
Lacrosse - Boys	1,267	13,864	(10,370)	-	4,761		124	4,637
Lacrosse - Girls	5,767	5,928	(5,932)	-	5,763		58	5,705
Math/Science Honor Society	419	645	(875)	-	189			189
Media Center	735	-	-	(735)	-			-
Multicultural Club	68	300	(69)	-	299			299
Music Theatre Troupe	3,182	9,835	(12,791)	5,378	5,604			5,604
National Arts Society	1,632	-	(358)	-	1,274			1,274
National Honor Society	9,839	2,870	(459)	-	12,250			12,250
OCBE transfer account	-	400,954	(400,954)	-	-			-
Photography club	13	-	-	-	13			13
Regional Host	-	-	(238)	238	-			-
Rumble Cross Country	-	50,569	(31,935)	(18,634)	-			-
Science Marine Biology	198	-	-	(198)	-			-
Soccer - Boys	12,065	14,773	(14,132)	-	12,706			12,706
Soccer - Girls	9,150	4,786	(10,472)	(125)	3,339			3,339
Soccer Tournament	781	-	-	(781)	-			-
Softball	470	13,502	(7,173)	(82)	6,717	299	115	6,901
Spanish Club	47	-	-	-	47			47
Speech Club	1,640	292	(808)	-	1,124			1,124
Start Up Cash Fund	-	6,600	(6,600)	-	-			-
STEAM	1,419	402	(455)	-	1,366			1,366
Swim Team	293	12,382	(9,223)	377	3,829			3,829
Tennis - Boys	2,923	6,395	(5,782)	678	4,214		2,428	1,786
Track - Boys	20,076	7,496	(9,416)	83	18,239		1,177	17,062
Track - Girls	7,144	5,608	(12,504)	(90)	158			158
Track Invitational	-	-	-	-	-			-
Track Meet	-	-	-	-	-			-
Tri M Music Honor	490	675	(424)	-	741			741
Vending - Student	4,943	847	-	-	5,790			5,790
Vending - Teacher/Staff	423	217	(404)	-	236			236
Volleyball	13,456	12,207	(16,095)	(118)	9,450		13	9,437
Winter Guard	17	4,395	(3,471)	-	941			941
Women's Leadership	-	-	-	-	-			-
Wrestling	376	10,742	(4,362)	(1,859)	4,897			4,897
Wrestling Classic	-	-	-	-	-			-
Total	\$ 214,502	\$ 949,270	\$ (860,405)	\$ -	\$ 303,367	\$ 1,717	\$ 43,359	\$ 261,725

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
OLDHAM COUNTY HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance 7/1/2022	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2023	Accounts Receivable 6/30/2023	Accounts Payable 6/30/2023	Due To Students & Others 6/30/2023
Academic Team	\$ 90	\$ 520	\$ (534)		\$ 76			\$ 76
Archery	410	7,942	(8,021)		331			331
Art Club	4	300	(249)		55			55
Athletics	23,819	74,559	(93,908)	\$ 78	4,548			4,548
Baseball	0	12,093	(7,493)	-	4,600		\$ 300	4,300
Basketball - Boys	976	3,291	(3,591)	-	676			676
Basketball - Girls	5,989	6,374	(4,354)	-	8,009			8,009
Bass Fishing	2,893	12,340	(12,295)	-	2,938			2,938
Beta Club	2,587	4,741	(5,676)		1,652			1,652
Broadcast Journalism	258	-	-	-	258			258
Canstruction	114	-	-	-	114			114
Cash on Hand	-	1,500	(1,500)	-	-			-
Cheerleading	25,892	85,551	(87,880)	(78)	23,485		24,440	(955)
Choir	7,553	40,232	(38,348)	-	9,437			9,437
Class of 2022	9,333	-	(427)	(8,906)	-			-
Class of 2023	19,535	37,515	(49,070)	(7,980)	-			-
Class of 2024	-	17,195	(11,721)	16,886	22,360			22,360
Cross Country	14,809	9,028	(19,028)	-	4,809		450	4,359
Cultural Connection Club	-	-	-	-	-			-
Dance Team	5,110	52,721	(50,965)	-	6,866		3,856	3,010
Elevator Key	100	337	(90)	-	347			347
English Field Trips	-	-	-	-	-			-
FBLA Club	427	-	(30)	-	397			397
FFA	4,899	9,946	(11,330)	-	3,515			3,515
Football	5,165	6,118	(11,208)	-	75			75
General	859	696	(1,489)	-	66			66
Golf - Boys	2,901	10,950	(11,383)	-	2,468			2,468
Golf - Girls	874	896	(1,027)	-	743			743
GSA/Pride Alliance	59	-	-	-	59			59
Industrial Art Club	2,945	4,089	(5,504)	237	1,767			1,767
KYA-KUNA Y Clubs	469	31,136	(29,696)	-	1,909			1,909
Lacrosse - Boys	1,663	-	(1,075)	-	588			588
Lacrosse - Girls	14,538	-	(8,945)	-	5,593			5,593
Literary Club	821	-	-	-	821			821
National Honor Society	1,838	2,175	(3,088)	-	925			925
OCBE Transfer	-	339,312	(339,312)	-	-			-
Pep Club	3,634	31,842	(22,543)	-	12,933			12,933
Scholarship/Indigent	8,555	-	(253)	(237)	8,065			8,065
Science Club	1,061	-	-	-	1,061			1,061
Sigma Sigma Gamma	2,071	6,817	(7,948)	-	940			940
Soccer - Boys	12,817	13,302	(20,712)	-	5,407			5,407
Soccer - Girls	5,371	4,405	(7,227)	-	2,549		1,629	920
Softball	4,254	32,377	(25,327)	-	11,304		287	11,017
Swim Team	972	6,112	(6,037)	-	1,047			1,047
Tennis	2,021	1,916	(3,159)	-	778			778
Theatre Production	12,998	10,868	(17,815)	-	6,051			6,051
Track	7,143	22,808	(16,047)	-	13,904			13,904
Vending - Faculty	133	650	(441)	-	342			342
Vending - Student	1,537	1,443	(1,998)	-	982			982
Volleyball	3,922	5,959	(8,167)	-	1,714		624	1,090
World Language	-	-	-	-	-			-
Wrestling	5,372	8,185	(9,287)	-	4,270			4,270
Yearbook	63,350	6,113	(25,405)	-	44,058			44,058
Total	\$ 292,143	\$ 924,354	\$ (991,603)	\$ -	\$ 224,894	\$ -	\$ 31,586	\$ 193,308

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
SOUTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2023

	Cash Balance 7/1/2022	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2023	Accounts Receivable 6/30/2023	Accounts Payable 6/30/2023	Due To Students & Others 6/30/2023
Academic Team	\$ 170	\$ 360	\$ (375)	\$ -	\$ 155			\$ 155
Athletics	47,062	142,574	(178,992)	(3,484)	7,160		\$ 6,416	744
Background Checks	330	480	(600)	-	210			210
Baseball	6,656	40,301	(38,703)	-	8,254			8,254
Basketball - Boys	1,942	17,838	(15,589)	(1,402)	2,789			2,789
Basketball - Girls	1,315	21,633	(16,042)	2,500	9,406			9,406
Beta Club	1,008	5,609	(4,335)	-	2,282			2,282
Cash on Hand	-	3,400	(3,400)	-	-			-
Cheerleading	34,160	96,432	(127,559)	-	3,033	\$ 100		3,133
Choral Music	2,027	-	(440)	-	1,587			1,587
Class of 2023	11,321	57,363	(49,688)	(18,996)	-			-
Class of 2024	2,862	21,238	(12,609)	18,996	30,487			30,487
Class of 2025	699	2,263	(912)	-	2,050			2,050
Class of 2026	-	2,713	(1,424)	-	1,289			1,289
Conclub	-	1,016	(980)	-	36			36
Cross Country	4,501	8,452	(8,632)	-	4,321			4,321
Dance Team	4,256	8,367	(12,066)	2,484	3,041			3,041
Debate	497	5,910	(5,896)	-	511			511
Dragon Spirit Club	-	-	-	-	-			-
Drama/theatre	15,010	6,439	(6,867)	-	14,582			14,582
Faculty Fund	307	188	(164)	-	331			331
FCA	68	-	(37)	-	31			31
FCCA Club Reg #6	-	-	-	-	-			-
FCCLA Club	1,945	7,318	(7,754)	-	1,509			1,509
Field Hockey	7,493	9,035	(5,393)	-	11,135			11,135
Football	5,465	32,152	(34,384)	-	3,233		2,553	680
French Club	118	114	(105)	-	127			127
General	1,176	52	(282)	775	1,721			1,721
German Club	1	-	-	(1)	-			-
Golf Boys	4,043	10,060	(12,719)	-	1,384			1,384
Golf Girls	73	4,450	-	-	4,523			4,523
Interact Club	544	-	(198)	-	346			346
Junior Class of 2021	-	-	-	-	-			-
KYA/KUNA Y Clubs	1,627	52,512	(52,590)	-	1,549			1,549
Lacrosse - Boys	15,241	41,144	(46,335)	-	10,050			10,050
Lacrosse - Girls	4,038	13,772	(15,863)	(168)	1,779			1,779
Link Crew	769	3,349	(3,169)	-	949			949
Marine Biology Field Trip	768	-	-	(768)	-			-
Math League	-	-	-	-	-			-
Mu Alpha Theatre	-	-	-	-	-			-
Mu Alpha Theta	336	260	(471)	-	125			125
National Honor Society	1,654	3,200	(3,356)	-	1,498			1,498
Nat'l Arts Society	1,093	1,939	(1,204)	-	1,828			1,828
OCBE Transfer Acct	-	490,251	(490,251)	-	-			-
Science Field Trips	39	-	-	-	39			39
Ski Club	671	7,920	(8,496)	-	95			95
Soccer - Boys	11,578	16,967	(13,772)	-	14,773			14,773
Soccer - Girls	1,070	19,531	(19,697)	-	904			904
Softball	1,975	17,852	(18,859)	-	968			968
Sophomore Class of 2022	-	-	-	-	-			-
Spanish Club	105	440	(319)	-	226			226
Student Council	-	-	-	-	-			-
Swim Team	5,455	10,600	(12,360)	850	4,545			4,545
Tennis - Boys	149	-	-	160	309			309
Tennis - Girls	814	1,461	(1,512)	-	763			763
The Dragon's Tale	620	2,085	(650)	-	2,055			2,055
Track	3,743	6,559	(6,020)	-	4,282			4,282
Vending - Snack	2,946	453	-	-	3,399			3,399
Vending - Soda	5,815	-	(1,336)	-	4,479			4,479
Vending - Teacher/Staff	700	2,813	(980)	-	2,533			2,533
Volleyball	1,040	763	(2,062)	260	1			1
We Care	8,743	1,500	(2,826)	-	7,417			7,417
Wrestling	7,947	22,355	(18,887)	(1,200)	10,215			10,215
Yearbook	224	-	(218)	(6)	-			-
Total	\$ 234,209	\$ 1,223,483	\$ (1,267,378)	\$ -	\$ 190,314	\$ 100	\$ 8,969	\$ 181,445

Combining Supplementary Information

Balance Sheet - Nonmajor Governmental Funds
Oldham County School District
June 30, 2023

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Non-major Government Fund
Assets					
Cash and cash equivalents	\$ 2,788,171	\$ 2,606,928	\$ 1,159,872		\$ 6,554,971
Accounts receivable			225		225
Prepays				377,132	377,132
Total Assets	\$ 2,788,171	\$ 2,606,928	\$ 1,160,097	\$ 377,132	\$ 6,932,328
Liabilities and Fund Balances					
Liabilities					
Accounts payable		\$ 27,869	\$ 54,592		\$ 82,461
Interfund payable					
Total Liabilities		27,869	54,592		82,461
Fund Balances					
Nonspendable				\$ 377,132	377,132
Restricted:					
Capital expenditures	\$ 2,788,171				2,788,171
Other		2,529,056	1,105,505		3,634,561
Assigned:					
Future obligations		50,003			50,003
Total Fund Balances	2,788,171	2,579,059	1,105,505	377,132	6,849,867
Total Liabilities and Fund Balances	\$ 2,788,171	\$ 2,606,928	\$ 1,160,097	\$ 377,132	\$ 6,932,328

See Accompanying Notes to Financial Statements

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Oldham County School District
June 30, 2023

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Non-major Government Fund
Revenues					
Earnings on investments		\$ 20,281			\$ 20,281
SEEK program	\$ 1,203,523				1,203,523
Other state revenues				\$ 434,322	434,322
Tuition and fees		2,086,328			2,086,328
Other local		1,615,896	\$ 8,143,176		9,759,072
Total Revenues	1,203,523	3,722,505	8,143,176	434,322	13,503,526
Expenditures					
Instruction		3,319,342	8,200,540		11,519,882
Plant operation and maintenance		26,297			26,297
Debt service:					
Principal				10,965,000	10,965,000
Interest				4,231,314	4,231,314
Total Expenditures		3,345,639	8,200,540	15,196,314	26,742,493
Excess (Deficit) of Revenues Over Expenditures	1,203,523	376,866	(57,364)	(14,761,992)	(13,238,967)
Other Financing Sources (Uses)					
Operating transfers in				14,761,992	14,761,992
Operating transfers out		(136,590)			(136,590)
Total Other Financing Sources (Uses)		(136,590)		14,761,992	14,625,402
Net Change in Fund Balance	1,203,523	240,276	(57,364)		1,386,435
Fund Balance, July 1, 2022	1,584,648	2,338,783	1,162,869	377,132	5,463,432
Total Fund Balance, June 30, 2023	\$ 2,788,171	\$ 2,579,059	\$ 1,105,505	\$ 377,132	\$ 6,849,867

See Accompanying Notes to Financial Statements

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

**Schedule of Expenditures of Federal Awards
Oldham County School District
June 30, 2023**

	Federal CFDA Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Education</u>				
Title I, Part A	84.010A	3100002-20		\$ 1,585
Title I, Part A	84.010A	3100002-21		43,893
Title I, Part A	84.010A	3100002-22		<u>437,799</u>
Program Total				483,277
Perkins Title I, Part C, Vocational	84.048	3710002-22		6,735
Perkins Title I, Part C, Vocational	84.048	3100002-22		<u>83,790</u>
Program Total				90,525
Title II, Part A Improving Teacher Quality	84.367A	3230002-20		56,967
Title II, Part A Improving Teacher Quality	84.367A	3230002-21		59,843
Title II, Part A Improving Teacher Quality	84.367A	3230002-22		<u>99,047</u>
Program Total				215,857
Title III - English Language Learners	84.365A	3300002-20		8,275
Title III - English Language Learners	84.365A	3300002-21		37,516
Title III - Immigrant	84.365A	3300002-21		<u>7,346</u>
Program Total				53,137
Special Education Cluster (IDEA)				
Special Education Grants to States (IDEA, Part B)	84.027A	3810002-21		469,721
Special Education Grants to States (IDEA, Part B)	84.027A	3810002-22		2,016,013
Special Education Preschool Grants (IDEA, Preschool)	84.173A	38000002-21		39,996
Special Education Preschool Grants (IDEA, Preschool)	84.173A	38000002-22		<u>37,232</u>
Total Special Education Cluster (IDEA)				2,562,962
ESSER III - Learning Loss	84.425U	4300002-21		1,712,461
CRRSA ESSER Direct Services	84.425D	4200002		160,632
CRRSA ESSER State Set-aside	84.425D	4200002		<u>363,950</u>
Program Total				2,237,043
ARP - IDEA B LEA Basic	84.027X	4910002.21		369,531
ARP- IDEA B Preschool	84.173X	4900002-21		<u>87,075</u>
Program Total				456,606
ARPA Childcare Sustainment	93.575			<u>2,764,588</u>
Total U.S. Department of Education passed through Kentucky Department of Education				<u>\$ 8,863,995</u>

Schedule of Expenditures of Federal Awards--Continued
Oldham County School District
June 30, 2023

	Federal CFDA Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	10.553	7760005-22		\$ 138,581
School Breakfast Program	10.553	7760005-23		480,742
National School Lunch Program	10.555	7750002-22		397,651
National School Lunch Program	10.555	7750002-23		1,601,936
National School Lunch Program - Commodities	10.555			144,118
Supply Chain Assistance	10.555	9980000-23		291,513
Summer Food Service Program for Children	10.559	7690024-22		1,838
Summer Food Service Program for Children	10.559	7740023-23		17,851
Warehouse Storage Program	10.560	7700001-22		15,321
Total Child Nutrition Cluster				3,089,551
Child and Adult Care Food Program	10.558	7790021-23		10,537
P-EBT Schools Payment	10.558	9990000-23		3,135
				13,672
Total U.S. Department of Agriculture passed through Kentucky Department of Education				\$ 3,103,223
Total Federal Expenditures			\$ -	\$ 11,967,218

Notes to Schedule of Expenditures of Federal Awards

Oldham County School District

Year Ended June 30, 2023

NOTE 1--BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Oldham County School District under programs of the federal government for the year ended June 30, 2023 and is reported on the accrual basis of accounting. 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*. Because the schedule presents only a selected portion of the operations of Oldham County School 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 in accordance with generally accepted accounting principles. 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.

NOTE 3--FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2023, the District reported food commodities expended in the amount of \$144,118.

NOTE 4--INDIRECT COST RATE

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

NOTE 5--SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2023.

Reports Required by the Single Audit Act

**Independent Auditor's Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with
*Government Auditing Standards***



**Independent Auditor's Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards**

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

Report on Financial Statements

We have audited, in accordance with the 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 *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits, the financial statements of the governmental activities, the business-type activities, and each major fund of the Oldham County School District (the "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 February 9, 2024.

Report on 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) to determine the 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 the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies may exist that were not identified.

Report on 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 determination of financial statement amounts. 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 instances of material noncompliance with specific statutes or regulations identified in the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by Kentucky State Committee for School District Audits

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Strothman and Company

Louisville, Kentucky
February 9, 2024

**Independent Auditors' Report on Compliance for Each Major
Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance**



**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oldham County School District's (the "District") compliance with the types of compliance requirements described 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 auditor's 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 ("GAAS"); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller 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 Auditors' 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.

Auditors' 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 GAAS, *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 GAAS, *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 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 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.

Strothman and Company

Louisville, Kentucky
February 9, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Schedule of Findings and Questioned Costs

Oldham County School District

Year Ended June 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued		Unmodified	
Internal control over financial reporting:			
Material weakness identified	_____	Yes	<u>✓</u> No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u>✓</u> None reported
Noncompliance material to financial statement notes	_____	Yes	<u>✓</u> No

Federal Awards

Internal control over major programs:			
Material weaknesses identified	_____	Yes	<u>✓</u> No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u>✓</u> None reported
Type of auditors’ report issued on compliance for major programs		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance	_____	Yes	<u>✓</u> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.425	Education Stabilization Fund
93.575	Child Care Development Grant

Dollar threshold used to distinguish between Type A and Type B program	\$	750,000	
Auditee qualified as low risk	<u>✓</u>	Yes	<u> </u> No

Schedule of Findings and Questioned Costs--Continued

Oldham County School District

Year Ended June 30, 2023

SECTION II --FINANCIAL STATEMENT FINDINGS

No matters are reportable.

SECTION III --FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Schedule of Prior Year Audit Findings

Oldham County School District

Year Ended June 30, 2023

SECTION I -SUMMARY OF PRIOR YEAR AUDITOR'S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2022-01 – Controls surrounding payroll

Finding: During the course of the audit, we identified an error in controls surrounding payroll that was not identified and rectified by the District. Two salary schedules existed for a single position, and one was not updated for board approval.

Current Status: Resolved

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable