

CASEY COUNTY SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022
with
REPORT OF INDEPENDENT AUDITORS

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for
School District Audits
Members of the Board of Education
Casey County School District
Liberty, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Casey County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Casey County School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I to the Auditor's Contract-General Audit Requirements and Appendix II to the Independent Auditor's Contract-State Audit Requirements*. 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 Casey County School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit program.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Casey County School 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.





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Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards, 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 estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the pension and other postemployment benefits liability and contributions information per the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Casey County School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 15, 2022, on our consideration of Casey County School 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 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Casey County School District's internal control over financial reporting and compliance.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
November 15, 2022



CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year ended June 30, 2022

The management of Casey County School District offers readers this narrative overview and analysis of the financial activities and educational programs of the District for the fiscal year ended June 30, 2022. We encourage readers to review the information presented here in conjunction with additional information found within the body of this audit.

This Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999; GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for State and Local Governments: Omnibus, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001; and in GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The ending balance of cash and cash equivalents for the district for the year ended June 30, 2022 (FY22) was \$9.38 million
- The District's property tax is derived from residential growth and assessments. The District levied FY 22 property tax rates of 50.2 cents per \$100 for real estate, 51 cents per \$100 for business personal property tax and 56.3 cents per \$100 for motor vehicles. The District levied a 3% utility tax rated in a prior year and it is still active.
- The District ended FY 22 with an unassigned fund balance in the general fund of approximately \$6 million reflecting a \$200,000 increase from the prior year.
- Bonds are issued as the District construct and/or renovates facilities consistent with long-range facilities plan that was established with community input and in keeping with the Kentucky Department of Education's stringent compliance requirements. The District's total bonded debt decreased by \$1.65 million in FY22.
- At the end of FY22, the District reported a net pension liability of \$8,635,681 related to the County Employees Retirement System
- At the end of FY22, the District reported a net post-employment benefit obligation of liability of \$2.59 million related to the County Employees Retirement System and \$3.07 million related to Kentucky Teachers Retirement.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-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.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are primarily supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services. Fixed asset acquisitions and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on the table of contents of this report.

Fund financial statement. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. There is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary, and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The proprietary funds are our food service and day care operations. All other activities of the District are included in the governmental funds. The basic governmental fund financial statements can be found on the table of contents of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The financial statements can be found on the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that are still outstanding. The District used these capital assets to provide services to its students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
Year ended June 30, 2022

Net Position for the period ending June 30, 2022

Fiscal year 2022 government-wide net position compared to 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 11,086,258	\$ 10,807,951
Capital assets	34,419,098	35,683,639
Total assets	<u>\$ 45,505,356</u>	<u>\$ 46,491,590</u>
Deferred outflow of resources	<u>\$ 4,359,861</u>	<u>\$ 4,487,034</u>
Current liabilities	\$ 2,337,987	\$ 2,284,140
Noncurrent liabilities	27,740,041	32,690,769
Total Liabilities	<u>\$ 30,078,028</u>	<u>\$ 34,974,909</u>
Deferred inflows of resources	<u>\$ 5,628,359</u>	<u>\$ 3,060,545</u>
Net investment in capital assets,	\$ 19,158,254	\$ 19,362,058
Permanent non-spendable	5,807	-
Restricted net position	888,634	865,656
Committed net position	2,275,500	-
Assigned net position	117,048	-
Unrestricted net position	<u>(8,286,413)</u>	<u>(7,284,544)</u>
Total net position	<u>\$ 14,158,830</u>	<u>\$ 12,943,170</u>

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental assets exceeded liabilities by approximately \$14,523,680; proprietary liabilities exceed assets by \$364,840 and total assets exceeded liabilities by \$14,158,830 at June 30, 2022.

The District had an overall decrease in unrestricted net position of \$1,001,869, comprised of an increase in governmental activities unrestricted net position of \$1,001,869

The following table presents a fund accounting comparison and summary of revenue and expense for Government Funds only for the fiscal years 2022 and 2021.

See table on next page

CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
Year ended June 30, 2022

	2022	2021
Total Revenue	<u>30,913,053</u>	<u>28,913,543</u>
Expenditures and other financing uses		
Instruction	17,949,806	16,104,793
Student support services	1,365,859	1,306,678
Instructional Support	997,965	936,842
District Administration	755,961	643,096
School Administrations	1,210,562	1,210,501
Business Operations	996,576	841,604
Plant Operation and Maintenance	2,848,470	2,438,370
Student Transportation	2,074,345	1,843,088
Facilities Acquisition and Construction	167,110	1,565,898
Community Service	292,108	257,663
Other	137,874	57,914
Debt Service:	<u>1,996,312</u>	<u>2,068,964</u>
Total Expenditures	<u>30,792,948</u>	<u>29,275,411</u>
Excess revenues (expenditures)	<u>120,105</u>	<u>(361,868)</u>
Other Financing Sources (uses)		
Proceeds from sale or fixed assets	-	23,410
Transfers In	1,343,516	1,217,980
Transfers Out	<u>(1,343,516)</u>	<u>(1,217,980)</u>
Total Other Financing sources (uses)	<u>-</u>	<u>23,410</u>
Net Changes in Fund Balance	<u>120,105</u>	<u>(338,458)</u>

On-behalf payments are included in the above amounts. On-behalf, as defined by the KDE, are payments the state makes on behalf of employees to the various agencies for health and life insurance, retirement, and administration fees. The on-behalf payments are allocated to expense as mandated by the KDE and are credited to revenues; therefore, have no effect on the District's level fund balance.

BUDGETARY IMPLICATION

In Kentucky the public-school fiscal year is July 1 through June 30; other programs, such as, some federal programs operate on a different fiscal calendar, but are reflected in the District's overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a working budget with a contingency that exceeded the 2% minimum. Significant variations in the actual results of operations and the final budget are primarily due to on-behalf payments that are included in the financial statements but are not budgeted by the District.

CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
Year ended June 30, 2022

Comments on Budget Comparisons

- The District's total general fund revenues for the fiscal year ended June 30, 2022 were \$20,935,755 excluding transfers, proceeds from the sale of assets and capital lease proceeds.
- General fund budgeted revenue compared to actual revenue varied from line item to line item with the ending actual balance being \$2,264,855 more than budget or 12.20% more than the budget.
- The total cost of all general fund programs and services for the fiscal year ended June 30, 2022 was \$21,237,321.
- General fund budgeted expenditures compared to actual expenditures varied from line item to line item with the ending actual balance being \$3,932,937 less than budget or 15.60% less than budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

Questions regarding this report should be directed to the Superintendent (606) 787-6941, or to the Finance Officer (606) 787-6941 or by mail at 1922 US-127, Liberty, KY 42539.

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,446,840	\$ 939,126	\$ 9,385,965
Accounts receivable:			
Taxes	204,502	-	204,502
Other	1,278,986	187,090	1,466,076
Inventories for consumption	-	23,908	23,908
Prepaid expense	5,807	-	5,807
Capital Assets, net			
Nondepreciable	1,089,543	-	1,089,543
Depreciable	33,118,301	211,254	33,329,555
Total assets	44,143,979	1,361,377	45,505,356
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows from refunding bonds	252,678	-	252,678
Deferred outflows - OPEB KTRS	1,303,790	-	1,303,790
Deferred outflows - OPEB CERS	1,255,445	189,783	1,445,228
Deferred outflows - PENSION	1,130,398	227,767	1,358,165
	<u>3,942,311</u>	<u>417,550</u>	<u>4,359,861</u>
LIABILITIES			
Accounts payable	169,476	1,348	170,824
Accrued expenses	65,631	-	65,631
Advances from grantors	365,896	-	365,896
Current maturities of bond obligations	1,650,000	-	1,650,000
Interest payable	85,636	-	85,636
Net OPEB liability - KTRS	3,069,000	-	3,069,000
Net OPEB liability -CERS	2,206,305	386,109	2,592,414
Net PENSION liability	7,349,415	1,286,266	8,635,681
Noncurrent maturities of bond obligations, net of bond discount	13,291,834	-	13,291,834
Noncurrent portion of accumulated sick leave	151,112	-	151,112
Total liabilities	28,404,305	1,673,723	30,078,028
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - OPEB KTRS	2,472,000	-	2,472,000
Deferred inflows - OPEB CERS	1,255,692	219,734	1,475,426
Deferred inflows - PENSION	1,430,613	250,320	1,680,933
	<u>5,158,305</u>	<u>470,054</u>	<u>5,628,359</u>
NET POSITION			
Net investment in capital assets	19,518,688	211,254	19,729,942
Permanent non-spendable	5,807	-	5,807
Restricted	888,634	-	888,634
Committed	2,275,500	-	2,275,500
Assigned	117,048	-	117,048
Unrestricted	(8,281,997)	(576,104)	(8,858,101)
Total net position	\$ 14,523,680	\$ (364,850)	\$ 14,158,830

CASEY COUNTY SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 Year ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Instruction	\$ 18,608,724	\$ 101,039	\$ 7,458,324	\$ -	\$ (11,049,361)	\$ -	\$ (11,049,361)
Student	1,340,633	-	561,123	-	(779,510)	-	(779,510)
Instructional support	979,526	-	407,093	-	(572,433)	-	(572,433)
District administration	741,995	-	308,374	-	(433,621)	-	(433,621)
School administration	1,188,197	-	493,817	-	(694,380)	-	(694,380)
Business support	978,169	-	406,526	-	(571,643)	-	(571,643)
Plant operations and maintenance	2,754,768	-	1,161,959	-	(1,592,809)	-	(1,592,809)
Student transportation	2,130,386	-	846,175	-	(1,284,211)	-	(1,284,211)
Non-instructional	137,874	-	56,241	-	(81,633)	-	(81,633)
Community services	292,108	-	115,205	-	(176,903)	-	(176,903)
Interest on long-term debt	381,312	-	-	1,273,328	892,016	-	892,016
Total governmental activities	29,533,692	101,039	11,814,837	1,273,328	(16,344,488)	-	(16,344,488)
Business-type activities							
Food Service	2,098,272	112,273	2,046,083	-	-	60,084	60,084
Childcare Fund	82,468	87,494	69,969	-	-	74,996	74,996
Enterprise Fund Community Education	934	845	38	-	-	(51)	(51)
Total business-type activities	2,181,674	200,612	2,116,090	-	-	135,028	135,028
Total primary government	\$ 31,715,366	\$ 301,651	\$ 13,930,927	\$ 1,273,328	(16,344,488)	135,028	(16,209,460)
			General revenues				
			Taxes:				
			Property	3,207,009	-	-	3,207,009
			Motor vehicle	661,200	-	-	661,200
			Utility	828,596	-	-	828,596
			Other	17,414	-	-	17,414
			Student activities	305,609	-	-	305,609
			Earnings on Investments	28,343	2,242	-	30,585
			State grants	12,653,031	-	-	12,653,031
			Federal grants	-	-	-	-
			Other local amounts	22,647	-	-	22,647
			Amortization of discount	(5,000)	-	-	(5,000)
			Gain/(loss) on disposal of assets	(285,406)	(9,565)	-	(295,971)
			Total general revenues	17,432,443	(7,323)	-	17,425,120
			Change in net position	1,087,955	127,705	-	1,215,660
			Net position July 1, 2021	13,435,725	(492,555)	-	12,943,170
			Net position as of June 30, 2022	\$ 14,523,680	\$ (364,850)	\$ -	\$ 14,158,830

The accompanying notes are an integral part of these financial statements.

CASEY COUNTY SCHOOL DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,761,720	\$ -	\$ 685,120	\$ 8,446,840
Accounts receivable:				
Taxes	204,502	-	-	204,502
Other	-	1,269,535	9,451	1,278,986
Prepaied expense	5,807	-	-	5,807
Interfund receivable	776,035	-	-	776,035
Total assets	\$ 8,748,064	\$ 1,269,535	\$ 694,571	\$ 10,712,170
LIABILITIES AND FUND BALANCES				
Liabilities				
Interfund payable	\$ -	\$ 776,035	\$ -	\$ 776,035
Accounts payable	160,379	1,162	7,935	169,476
Accrued expenses	65,631	-	-	65,631
Advances from grantors	-	365,896	-	365,896
Total liabilities	226,010	1,143,093	7,935	1,377,038
Fund balances				
Non-spendable	5,807	-	-	5,807
Restricted				
Sick leave	75,556	-	-	75,556
Grants	-	126,442	-	126,442
Other	-	-	686,636	686,636
Committed	-	-	-	-
Sick leave payable	106,500	-	-	106,500
Future construction	820,000	-	-	820,000
Other	1,349,000	-	-	1,349,000
Assigned	-	-	-	-
SBDM Carryforward	96,452	-	-	96,452
Purchase obligation	20,596	-	-	20,596
Unassigned	6,048,143	-	-	6,048,143
Total fund balances	8,522,054	126,442	686,636	9,335,132
Total liabilities and fund balances	\$ 8,748,064	\$ 1,269,535	\$ 694,571	\$ 10,712,170

The accompanying notes are an integral part of these financial statements.

CASEY COUNTY SCHOOL DISTRICT

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION**

June 30, 2022

Total fund balances - governmental funds	\$ 9,335,132
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	34,207,844
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	3,942,311
Bonds payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(14,941,834)
The long term portion of accumulated sick leave is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(151,112)
Net OPEB obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(5,275,305)
Net pension obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(7,349,415)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	(5,158,305)
Interest payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	<u>(85,636)</u>
Total net position - governmental activities	<u>\$ 14,523,680</u>

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year ended June 30, 2022

	General Fund	Special Revenue Funds	Other Governmental Funds	Total Governmental Funds
Revenues				
From local sources				
Taxes				
Property	\$ 2,834,299	\$ -	372,710	\$ 3,207,009
Motor vehicle	661,200	-	-	661,200
Utility	828,596	-	-	828,596
Other	17,414	-	-	17,414
Food service student activity	-	-	36,453	36,453
Student activities	-	-	269,156	269,156
Earnings on investments	26,963	449	931	28,343
Other local	59,259	51,781	12,646	123,686
Intergovernmental - State	16,406,985	1,083,349	2,098,544	19,588,878
Intergovernmental - Federal	101,039	6,051,279	-	6,152,318
Total revenues	<u>20,935,755</u>	<u>7,186,858</u>	<u>2,790,440</u>	<u>30,913,053</u>
Expenditures				
Current:				
Instruction	11,526,388	6,110,590	312,828	17,949,806
Student	1,273,288	92,571	-	1,365,859
Instructional support	663,992	333,973	-	997,965
District administration	755,961	-	-	755,961
School administration	1,210,562	-	-	1,210,562
Business support	993,874	2,702	-	996,576
Plant operations and maintenance	2,791,070	57,400	-	2,848,470
Student transportation	1,996,246	73,844	4,255	2,074,345
Non-instructional	-	114,488	23,386	137,874
Community services	25,940	266,168	-	292,108
Other	-	-	-	-
Site improvement	-	-	167,110	167,110
Debt service	-	-	1,996,312	1,996,312
Total expenditures	<u>21,237,321</u>	<u>7,051,736</u>	<u>2,503,891</u>	<u>30,792,948</u>
Excess (deficit) of revenues over (under) expenditures	(301,566)	135,122	286,549	120,105
Other financing sources (uses)				
Transfers in	377,699	54,789	911,028	1,343,516
Transfers out	(50,000)	(214,731)	(1,078,785)	(1,343,516)
Total other financing sources (uses)	<u>327,699</u>	<u>(159,942)</u>	<u>(167,757)</u>	<u>-</u>
Net change in fund balance	26,133	(24,820)	118,792	120,105
Fund balance as of June 30, 2021	<u>8,495,921</u>	<u>151,262</u>	<u>567,844</u>	<u>9,215,027</u>
Fund balance as of June 30, 2022	<u>\$ 8,522,054</u>	<u>\$ 126,442</u>	<u>\$ 686,636</u>	<u>\$ 9,335,132</u>

CASEY COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year ended June 30, 2022

Net change in total fund balances - governmental funds	\$ 120,105
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of net position and depreciated over their estimated economic lives. The difference is the amount by which depreciation exceeds capital outlay for the year.	(966,447)
Amortization of deferred outflows or resources is not recognized in the governmental fund financial statements, but is a component of interest in the Statement of Activities.	(63,178)
Bond and capital lease payments are recognized as expenditures of current financial resources in the governmental fund financial statements, but are reductions of liabilities in the Statement of Net Position.	1,615,000
Decrease in bond discount is recognized on the Statement of Activities but is not recognized on the fund financial statements.	(5,000)
Calculated pension and OPEB expense is not recognized on the governmental fund financial statements, but is recognized as an expense on the Statement of Activities. while pension contributions are deferred on the Statement of Net Position	522,769
Accumulated sick leave is recognized by the amount earned in the statement of activities, but the governmental fund financial statements only recognize the obligations anticipated to be retired from existing financial resources.	151,112
Loss on disposal of assets is recognized on the statement of activities but only the proceeds, if any are recognized in the fund financial statements	<u>(286,406)</u>
Change in net position - governmental activities	<u>\$ 1,087,955</u>

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION -
 PROPRIETARY FUNDS
 June 30, 2022

	Food Service Fund	Childcare Fund	Nonmajor Enterprise Fund-Community Education	Total Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 737,168	\$ 189,397	\$ 12,560	\$ 939,125
Accounts Receivable	181,733	5,357	-	187,090
Inventories for consumption	23,908	-	-	23,908
Total current assets	<u>942,809</u>	<u>194,754</u>	<u>12,560</u>	<u>1,150,123</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation	211,264	-	-	211,264
Total noncurrent assets	<u>211,264</u>	<u>-</u>	<u>-</u>	<u>211,264</u>
Total assets	<u>1,154,073</u>	<u>194,754</u>	<u>12,560</u>	<u>1,361,387</u>
Deferred outflow of resources				
Deferred outflows OPEB	170,121	19,625	37	189,783
Deferred outflows pension	204,127	23,547	93	227,767
Total deferred outflows	<u>374,248</u>	<u>43,172</u>	<u>130</u>	<u>417,550</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 905	\$ 443	\$ -	\$ 1,348
Total current liabilities	<u>905</u>	<u>443</u>	<u>-</u>	<u>1,348</u>
Noncurrent liabilities				
Net OPEB liability	346,087	39,923	99	386,109
Net pension liability	1,152,863	132,989	414	1,286,266
Total noncurrent liabilities	<u>1,498,950</u>	<u>172,912</u>	<u>513</u>	<u>1,672,375</u>
Total liabilities	<u>1,499,855</u>	<u>173,355</u>	<u>513</u>	<u>1,673,723</u>
Deferred inflow of resources				
Deferred inflows - OPEB	196,969	22,722	43	219,734
Deferred inflows - Pension	224,405	25,886	29	250,320
Total deferred inflows	<u>421,374</u>	<u>48,608</u>	<u>72</u>	<u>470,054</u>
NET POSITION				
Net investment in capital assets	211,264	-	-	211,264
Restricted for:				
Other	-	15,963	12,105	28,068
Unrestricted	(604,172)	-	-	(604,172)
Total net position	<u>\$ (392,908)</u>	<u>\$ 15,963</u>	<u>\$ 12,105</u>	<u>\$ (364,840)</u>

The accompanying notes are an integral part of these financial statements.

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
 PROPRIETARY FUNDS

Year ended June 30, 2022

	Food Service Fund	Childcare Fund	Nonmajor Enterprise Fund-Community Education	Food Service Fund
Operating revenues				
Lunchroom sales	\$ 37,382	\$ -	\$ -	\$ 37,382
Other	74,891	-	-	74,891
Revenues from local sources	-	87,494	845	88,339
Total operating revenues	<u>112,273</u>	<u>87,494</u>	<u>845</u>	<u>200,612</u>
Operating expenses				
Salaries and wages	523,495	42,179	163	565,837
Employee benefits	311,768	22,485	46	334,299
Materials and supplies	1,228,987	17,804	725	1,247,516
Depreciation	34,012	-	-	34,012
Total operating expenses	<u>2,098,262</u>	<u>82,468</u>	<u>934</u>	<u>2,181,664</u>
Operating income/(loss)	<u>(1,985,989)</u>	<u>5,026</u>	<u>(89)</u>	<u>(1,981,052)</u>
Nonoperating revenues				
Federal grants	1,754,875	17,090	-	1,771,965
State grants	151,874	52,879	38	204,791
Donated commodities	139,334	-	-	139,334
Interest income	2,242	-	-	2,242
Loss on disposal of assets	(9,565)	-	-	(9,565)
Total nonoperating revenues/(expenses)	<u>2,038,760</u>	<u>69,969</u>	<u>38</u>	<u>2,108,767</u>
Change in net position	52,771	74,995	(51)	127,715
Net position as of June 30, 2021	<u>(445,679)</u>	<u>(59,032)</u>	<u>12,156</u>	<u>(492,555)</u>
Net position as of June 30, 2022	<u>\$ (392,908)</u>	<u>\$ 15,963</u>	<u>\$ 12,105</u>	<u>\$ (364,840)</u>

The accompanying notes are an integral part of these financial statements.

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

Year ended June 30, 2022

	Food Service Fund	Childcare Fund	Nonmajor Enterprise Fund-Community Education	Total
Cash flows from operating activities				
Cash received from:				
Lunchroom sales	\$ 37,382	\$ -	\$ -	\$ 37,382
Other activities	(80,333)	-	845	(79,488)
Revenues from local sources		90,912		90,912
Cash paid to/for:				
Employees	(853,340)	(66,485)	(209)	(920,034)
Supplies	(1,083,274)	(17,361)	(725)	(1,101,360)
Net cash used in operating activities	(1,979,565)	7,066	(89)	(1,972,588)
Cash flows from non-capital financing activities				
Grants received	1,906,749	69,969	38	1,976,756
Net cash used in non-capital financing activities	1,906,749	69,969	38	1,976,756
Cash flows from capital and related financing activities				
Purchase of capital assets	(31,890)	-	-	(31,890)
Net cash used in capital and related financing activities	(31,890)	-	-	(31,890)
Cash flows from investing activities				
Interest income	2,242	-	-	2,242
Net cash provided from investing activities	2,242	-	-	2,242
Net increase in cash and cash equivalents	(102,464)	77,035	(51)	(25,480)
Cash and cash equivalents as of June 30, 2021	839,642	112,362	12,611	964,615
Cash and cash equivalents as of June 30, 2022	\$ 737,178	\$ 189,397	\$ 12,560	\$ 939,135
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income/ (loss)	\$(1,985,989)	\$ 5,026	\$ (89)	\$(1,981,052)
Adjustments to reconcile change in net position to net cash used in operating activities:				
(Increase) decrease in accounts receivable	(155,224)	3,418	-	(151,806)
Increase (decrease) in accounts payable	814	443	-	1,257
Decrease in inventory	5,565	-	-	5,565
Net change in pension and OPEB expense	(18,077)	(1,821)	-	(19,898)
Donated commodities	139,334	-	-	139,334
Depreciation	34,012	-	-	34,012
Net cash used in operating activities	\$(1,979,565)	\$ 7,066	\$ (89)	\$(1,972,588)
Schedule of non-cash transactions:				
Depreciation	\$ 34,012	\$ -	\$ -	\$ 34,012
Donated commodities	139,334	-	-	139,334
Total non-cash transactions	\$ 173,346	\$ -	\$ -	\$ 173,346

FIDUCIARY FUNDS NET POSITION

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	<u>Custodial Fund- Scholarship</u>
ASSETS	
Cash and cash equivalents	\$ 3,301
Total assets	<u>\$ 3,301</u>
NET POSITION	
Restricted for Scholarships	\$ 3,301
Total net position	<u>\$ 3,301</u>

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF CHANGES FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	<u>Custodial Fund- Scholarship</u>
Additions	
Net interest and invest gains	\$ 11
Total additions	11
Deductions	
Scholarships paid	<u>500</u>
Change in net position	(489)
Net position June 30, 2021	<u>3,790</u>
Net position June 30, 2022	<u>\$ 3,301</u>

NOTE 1 – REPORTING ENTITY

The Casey County Board of Education ("Board"), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Casey County School District ("District"). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not 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 of the funds and activities relevant to the operation of the Casey County Board of Education. The basic 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 Band Boosters, Parent-Teacher Associations, etc. Such funds or groups have been considered as prospective component units under GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*, and have been determined to have insignificant assets, liabilities, equity, revenue and expenditures to be considered component units. In addition, the Board has the ability to exert little control over the fiscal activities of the funds or groups.

The basic 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:

Casey County School District Finance Corporation - In 1989, the Casey County Board of Education resolved to authorize the establishment of the Casey 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 Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board comprise the Corporation's Board of Directors.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 to its proprietary funds, unless those pronouncements conflict or contradict GASB pronouncements.

The following is a summary of the significant accounting policies:

Government-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, which normally are supported by tax revenues, and those that are considered business-type activities, which rely significantly on fees and charges for support.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 government-wide statements and the statements for governmental funds.

The government-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. 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 fund balances. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Accounting principles generally accepted in the United States of America require that the General Fund be reported as a major fund. All other governmental and proprietary funds whose assets, liabilities, revenues, or expenditures comprise at least 10% of the total for the relevant fund category and at least 5% of the corresponding total for all governmental and proprietary funds combined must also be reported as major funds.

The District has the following funds:

I. Government Fund Types

The General Fund is the main operating fund of the District. It accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of the District.

The Special Revenue (Grant) Funds account 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 the specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

I. Government Fund Types - continued

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds). The Capital Projects Funds account for revenue and expenditures from three sources:

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 (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. This is a major fund of the District.
4. The Student Activity Fund is used to account for activities of student groups.
5. 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 cost; and for the payment of interest on general obligation notes payable, as required by Kentucky law.

II. Proprietary Fund Types (Enterprise Fund)

1. The Food Service Fund is used to account for school food service activities, including the National School Lunch Program and the National School Breakfast Program, which are conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.
2. The Childcare Fund is used to account for childcare activities and is a major fund of the District.
3. The Community Education Fund is used to account for miscellaneous classes and activities.

II. Fiduciary Funds

1. The Agency Fund – Scholarship is used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments for which the District is an agent.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Revenues, Exchange and Non-exchange 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/Advances from Grantors- 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. The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, grants that are intended to finance future periods are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

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 flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures 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.

Property Taxes

Property taxes are levied by September 30 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.

The property tax rates assessed for the year ended June 30, 2022, to finance the General Fund operations were \$.502 per \$100 valuation for real property, \$.51 per \$100 valuation for business personal property and \$. 563 per \$100 valuation for motor vehicles.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

Prepaid Assets

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

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 activity's column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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 capitalized.

All reported capital assets, except land and construction-in-progress, 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 Lives</u>
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
School buses	10 years
Other vehicles	5 years
Audio-visual equipment	15 years
Food service equipment	12 years
Furniture and fixtures	20 years
Rolling stock	15 years
Other general equipment	10 years

Interfund Receivables and Payables

The fund financial statements present interfund receivables and payables resulting from short-term interfund loans that are classified as "interfund receivables/payables." These amounts are eliminated in the government-wide 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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Accumulated Unpaid Sick 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 vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

The entire compensated absence liability includes the remaining amount. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as an assigned portion of fund balance. The balance of the liability is not recorded.

For governmental fund financial statements the current portion, if any, of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the General Fund. The noncurrent portion of the liability is not reported.

Bonds and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance are recognized in the current period. The face amount of the debt is reported as other financing sources. Discounts related to debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Budgetary Process

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

- Revenues are recorded on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved by the Board, it can be amended. Budgetary receipts represent original estimates modified for adjustments, if any, during the fiscal year. Budgetary disbursements represent original appropriations adjusted for budget transfers and additional appropriations, if any, approved during the fiscal year.

Each budget is prepared and controlled at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

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.

Receivables

The District recognizes revenues as receivables when they are measurable, and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Inventories

On government-wide and governmental fund financial statements inventories of supplies and materials are stated at cost and are expensed when used.

The school Food Service Fund inventory consists of food, supplies and U.S. Government commodities.

The Food Service Fund inventory is stated at cost and uses the specific identification method; the general fund inventory is stated at cost and uses the first-in, first-out method.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-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, 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. 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

Fund balances are separated into five categories, as required by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balance is permanently nonspendable by decree of donor. Examples would be an endowment or that which may not be used for another purpose such as amounts used to prepay future expenses or already purchased inventory on hand.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment.

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within 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.

CASEY COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
Year ended June 30, 2022

Encumbrances

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are appropriated in the next year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2022, in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets and liabilities. 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 School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the School District those revenues come in the form of grants (federal and state), donated commodities, and earnings from investments.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

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 after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Deferred Inflows and Deferred Outflows of Resources

Deferred inflows and deferred outflows are recorded on the government-wide and proprietary financial statements. The deferred outflows of resources presented were primarily created by differences in pension expectations, the prior refunding of revenue bonds, and deferral of pension contributions. Deferred inflows were primarily created by actuarial determinations of net pension liability changes.

Lease Accounting Standard

GASB State No. 87 *Leases* effective for fiscal year 2022, was issued to improve accounting and financial reporting for governments by establishing standards for leases that previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset, thus requiring lessees to recognize a lease liability and intangible right to use the underlying asset and lessors to recognize a lease receivable and deferred inflow of resources. The District adopted the standard; however, it had no effect on the financial statements in the current year.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Pension and Other Postemployment Benefits

For purposes of measuring the net liabilities, the deferred outflows of resources and deferred inflows of resources, and expense related to pensions and other postemployment benefits (OPEB), information about the fiduciary net position of the pension / OPEB plans, and additions to / deductions from the pension / OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the pension / OPEB plans. For this purpose, revenues are recognized when earned. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts was further allocated to proprietary funds based on the salaries paid by each proprietary fund. Plan investments are reported at fair value.

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the 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 the County Employees Retirement System Non-Hazardous (CERS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Lease Accounting Standard

GASB State No. 87 *Leases* effective for fiscal year 2022, was issued to improve accounting and financial reporting for governments by establishing standards for leases that previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset, thus requiring lessees to recognize a lease liability and intangible right to use the underlying asset and lessors to recognize a lease receivable and deferred inflow of resources. The District adopted the standard; however, it had no effect on the financial statements in the current year.

3. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2022, none of the District's bank balance was exposed to custodial credit risk because of coverage by Federal Depository insurance and by collateral agreements and collateral held by the pledging banks' trust departments in the District's name.

Cash and cash equivalents at June 30, 2022 consisted of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Casey County Bank	\$ 10,213,291	\$ 9,389,266
	<u>\$ 10,213,291</u>	<u>\$ 9,389,266</u>

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

3. CUSTODIAL CREDIT RISK – DEPOSITS – CONTINUED

Breakdown per financial statements is as follows:

Governmental Funds	\$ 8,446,840
Proprietary Funds	939,125
Fiduciary funds*	3,301
	<u>\$ 9,389,266</u>

*Fiduciary funds are not presented on the governmental or government wide statements.

Cash is commingled in various bank accounts and short-term certificates of deposit. Due to the nature of the accounts and limitations imposed by bond issue requirements, construction projects, and Federal financial assistance programs, each cash account within the following funds is considered to be restricted:

- Special Revenue Funds
- SEEK Capital Outlay Fund
- Facility Support Program (FSPK) Fund
- School Construction Fund
- School Food Service Fund
- Agency Funds

4. INVESTMENT REPORTING UNDER GASB 72

Funds of the District are public funds and, therefore, their investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds as provided by KRS 66.480. At June 30, 2022, the District holds only demand deposits and certificates of deposit considered to be cash equivalents. Consequently, the District does not have investment related credit risk or interest risk.

Investments reported on the financial statements are nonparticipating interest-earning investment contracts purchased from a bank in the form of a Certificate of Deposit. Therefore, under GASB Statement No 72, Fair Value Measurement & Application these types of investments are exempt from fair value measurements.

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	June 30, 2021			June 30, 2022
	Balance	Additions	Retirements	Balance
Governmental Activities				
Land	\$ 914,397	\$ -	\$ -	\$ 914,397
Land improvements	1,741,005	-	-	1,741,005
Buildings and improvements	46,231,818	3,972,707	284,396	49,920,129
Technology equipment	226,182		78,520	147,662
Vehicles	3,901,652	37,764	58,486	3,880,930
General Equipment	771,549	136,396	19,987	887,958
Construction Work in Progress	3,971,457	176,396	3,972,707	175,146
Total historical cost	<u>57,758,060</u>	<u>4,323,263</u>	<u>4,414,096</u>	<u>57,667,227</u>
Less accumulated depreciation	<u>22,297,362</u>	<u>1,317,004</u>	<u>154,983</u>	<u>23,459,383</u>
Governmental capital assets, net	<u>\$ 35,460,698</u>	<u>\$ 3,006,259</u>	<u>\$ 4,259,113</u>	<u>\$ 34,207,844</u>
Business-type Activities				
General equipment	\$ 930,653	\$ 31,889	\$ 48,802	\$ 913,740
Total historical cost	930,653	31,889	48,802	913,740
Less accumulated depreciation	<u>707,710</u>	<u>34,013</u>	<u>39,237</u>	<u>702,486</u>
Business-type capital assets, net	<u>\$ 222,943</u>	<u>\$ (2,124)</u>	<u>\$ 9,565</u>	<u>\$ 211,254</u>

Depreciation expense for business-type activities was entirely incurred in the operation of the School Food Services. Depreciation for governmental activities was charged to governmental functions as follows:

Instruction	\$ 906,961
Student Support	7,504
Instructional Staff Support	24,916
School Administrative Support	8,619
Plant operation and maintenance	273,991
Student transportation	95,013
	<u>\$ 1,317,004</u>

CASEY COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
Year ended June 30, 2022

6. CAPITAL LEASE PAYABLE

There were no non-cancellable leases for the fiscal year 2022. The only lease that the Board maintains is a postage machine, which they are only obligated to maintain for the period they pay in advance for, in this case, annually.

7. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable:					
Revenue Bonds	\$ 16,590,000	-	\$ 1,615,000	\$ 14,975,000	\$ 1,650,000
Less: Discount	<u>(38,166.00)</u>	<u>-</u>	<u>5,000.00</u>	<u>(33,166.00)</u>	<u>-</u>
Total Bonds Payable	<u>\$ 16,551,834</u>	<u>\$ -</u>	<u>\$ 1,620,000</u>	<u>\$ 14,941,834</u>	<u>\$ 1,650,000</u>
Other Liabilities:					
Compensated absences	<u>\$ 293,098</u>	<u>\$ -</u>	<u>\$ 141,986</u>	<u>\$ 151,112</u>	<u>\$ -</u>

The debt service fund is primarily responsible for paying the bond obligations through funds from the General, Capital Outlay and FSPK funds. The General fund is primarily responsible for pay compensated absences.

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rate</u>
2010 Ref	1,110,000	0.50% - 2.55%
2012	2,010,000	1.00% - 2.25%
2012 Ref 7	1,265,000	.00% - 2.25%
2014	3,370,000	3.45%
2015 Ref	6,205,000	2.00% - 2.35%
2016	6,065,000	1.10% - 3.00%
2020	3,450,000	2.00% 2.60%

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

7. LONG-TERM LIABILITIES - CONTINUED

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 Casey County School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

The District has participation agreements^o with the Kentucky School Facility Construction Commission (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 obligations and are renewable, at the Commission's option, bi-annually. In 2008 the District also entered into an agreement with the Urgent Needs Trust Fund. The Urgent Needs Trust Fund was established by the 2003 Kentucky General Assembly for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Needs Trust Fund is administered by the School Facility Construction Commission. 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 liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission at June 30, 2022 for debt service (principal and interest) are as follows:

Year Ending June 30,	Total Principal	Total Interest	SFCC Participation	District's Portion
2023	1,650,000	348,628	1,273,325	725,303
2024	1,670,000	314,412	1,262,618	721,693
2025	1,280,000	275,927	909,509	646,319
2026	1,305,000	247,896	909,509	643,387
2027	1,140,000	220,324	714,174	646,150
2028-2032	3,615,000	826,559	1,207,033	3,234,726
2033-2037	3,565,000	354,088	660,457	3,258,631
2038-2040	750,000	39,015	23,972	765,043
	<u>\$ 14,975,000</u>	<u>\$ 2,626,849</u>	<u>\$ 6,960,597</u>	<u>\$ 10,641,252</u>

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

NOTE 8 -RETIREMENT PLANS

The District's employees are provided with two pension plans, based on each position's college degree requirement as described below. The two pension plans are County Employees Retirement System (CERS) and the Kentucky Teachers Retirement System (KTRS).

General information about the County Employees Retirement System Non-Hazardous (CERS)

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/>.

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

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.

Contributions—Required contributions by the employee are based on the tier:

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

Funding Policy - Funding for the plan is provided through payroll withholdings and matching District contributions. The District contributes 26.95% of the employee's total compensation subject to contribution. Pension has a contribution rate of 21.17% and OPEB has a contribution rate of 5.78%.

8. RETIREMENT PLANS - CONTINUED

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

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

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

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

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) 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 less than ten years. New employees after July 1, 2002 who retire with ten 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 ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

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

Contributions—Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System.

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 July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. 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.

8. RETIREMENT PLANS – CONTINUED

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

At June 30, 2022, 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 KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS 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	\$ 8,635,681
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>34,838,631</u>
	<u>\$ 43,474,312</u>

The net pension liability for each plan was measured as of June 30, 2021, 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, 2021, the District's proportion was 0.137642%.

For the year ended June 30, 2022, the District recognized pension expense of \$685,574 related to CERS and \$2,780,939 related to KTRS. The District also recognized revenue of \$2,780,939 for KTRS support provided by the Commonwealth. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

See table on next page

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

8. RETIREMENT PLANS – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 99,164	\$ 83,815
Changes of assumptions	115,901	-
Net difference between projected and actual earnings on pension plan	335,007	1,485,998
Changes in proportion and differences between District contributions and proportionate share of contributions	3,564	111,120
District Contributions subsequent to the measurement date	804,529	-
Total	<u>\$ 1,358,165</u>	<u>\$ 1,680,933</u>

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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year End June 30:	
2021	\$ (185,881)
2022	(319,266)
2023	(261,720)
2024	(360,430)
Total	<u>\$ (1,127,297)</u>

Actuarial assumptions—The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS	KTRS
Inflation	2.30%	2.50%
Projected salary increases	3.3-15.3%	3.0-7.5%
Investment rate of return, net of investment expense & inflation	5.25%	7.10%
Municipal bond index rate		2.13%
Single equivalent interest rate		7.10%

For KTRS, the long-term expected rate of return on pension plan investments was determined using a 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.

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

8. 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 5.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For KTRS, 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 2036 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.

Sensitivity of CERS and KTRS 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% increase</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 11,075,671	\$ 8,635,681	\$ 6,616,647
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -

Pension plan fiduciary net position—Detailed information about pension plan’s fiduciary net position, is available in separately issued financial reports of both CERS and KTRS.

9. OTHER POST-EMPLOYMENT BENEFITS

General Information about the Kentucky Teachers' Retirement System of the State of Kentucky (TRS)*Plan description* – Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1983 General Assembly and is governed by the Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

The state 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:

Medical Insurance Plan

Plan description – In addition to the pension benefits described above, KRS 161.675 requires KTRS to provide post-employment healthcare benefits to eligible employees and dependents. The KTRS Medical Insurance Fund is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the KTRS 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 KTRS 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.

Funding Policy – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and three percent (3.00%) from the employer.

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

At June 30, 2022, the District reported a liability of \$3,069,000 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, 2021, 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, 2021, the District's proportion was 0.221995%.

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:

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

9. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

For the year ended June 30, 2022, the District recognized OPEB expense of \$206,200 and revenue of \$206,200 for support provided by the state. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows on resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,825,000
Changes of assumptions	803,000	-
Net difference between projected and actual earning on plan investments	-	327,000
Changes in proportion and differences between contributions and proportionate share of contributions	178,000	320,000
District contribution subsequent to the measurement date	322,790	-
Total	<u>\$ 1,303,790</u>	<u>\$ 2,472,000</u>

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 ended June 30,	
2022	\$ (333,000)
2023	(335,000)
2024	(359,000)
2024	(366,000)
2025	(102,000)
2025	4,000
	<u>\$ (1,491,000)</u>

Actuarial assumptions - The total OPEB liabilities in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

9. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Investment rate of return	7.1%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%
Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	7.00% for FY 2021 decreasing to an ultimate rate of 4.5% by FY 2031
Ages 65 and older	5.00% for FY 2021 decreasing to an ultimate rate of 4.5% by FY 2024
Medicare Part B	4.40% for FY 2021 with an ultimate rate of 4.5% by 2031
Municipal bond index rate	2.13%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

The long-term expected rate of return on OPEB plan investments was determined using a 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.

Discount rate -The discount rates 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 plans' 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 MIP OPEB liability, calculated using the discount rate of 7.10%. as well as what the District's proportionate share of the collective net MIP OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate.

	<u>1% Decrease</u> 6.10%	<u>Current Discount Rate</u> 7.10%	<u>1% Increase</u> 8.10%
KTRS			
District's proportionate share of net OPEB liability	\$ 3,929,000	\$ 3,069,000	\$ 2,358,000

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

9. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
KTRS			
District's proportionate share of net OPEB liability	\$ 2,230,000	\$ 3,069,000	\$ 4,114,000

OPEB plans fiduciary net position - Detailed information about the OPEB plans' fiduciary net position is available in the separately issued TRS financial report.

Life Insurance Plan

Plan description - Life Insurance Plan - TRS administers a 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 is payable upon the death of the member to the member's estate or to a party designated by the member.

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

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

At June 30, 2022, the District did not report a liability for a 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 of the OPEB liability that was associated with the District were as follows:

District's proportionate share of the KTRS net OPEB Life Insurance Plan liability	\$ -
Commonwealth's proportionate share of the KTRS net OPEB Life Insurance liability associated with the District	\$ 33,000
Total	<u>\$ 33,000</u>

Actuarial assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

See table on next page

9. OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%, including inflation
Inflation Rate	2.50%
Real Wage Growth	25.00%
Wage Inflation	2.75%
Municipal bond index rate	2.13%
Discount Rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

The remaining actuarial assumptions (e.g., initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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.

Discount rate -The discount rates 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 employer contributions will be made at the 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 of the System, calculated using the discount rate of 7.10%, 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 (6.10%) or 1-percentage-point higher (8.10%) than the current rate.

	1% decrease	discount rate	1% increase
KTRS	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
State's proportionate share			
of net OPEB liability - Life Insurance	\$ 27,500	\$ 33,000	\$ 39,500

OPEB plan fiduciary net position - Detailed information about the OPEB plans' fiduciary net position is available in the separately issued TRS financial report.

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

Plan Description- Employees whose positions do not require a degree beyond a high school diploma are provided OPEBs through the County Employees Retirement System Non-Hazardous (CERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agent 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 an 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/>.

9. OTHER POST-EMPLOYMENT BENEFITS -- CONTINUED

Benefits Provided- CERS provides hospital and medical insurance for eligible members receiving benefits from the pension plan. Employees are vested in the plan after five years' service. For plan purposes, employees are grouped into two groups, based on hire date. Members who reach a minimum vesting period of 10 years, and began participating on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. For members participating prior to July 1, 2003, are paid up to a maximum of \$13.18 per month for every year of earned service. The percentage of the maximum monthly benefit paid is based on years of service as follows:

Years of Service	Paid by Insurance Fund (%)
20+ years	100.00%
15-19 years	75.00%
10-14 years	50.00%
4-9 years	25.00%
Less than 4 years	0.00%

Contributions -- Required contributions by the employee are based on the tier:

Tier 1	Participation date	Before September 1, 2008
	Contribution Percentage	0.00%
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Contribution Percentage	1%
Tier 3	Participation date	After December 31, 2013
	Contribution Percentage	1%

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

At June 30, 2022, the District reported a liability of \$2,592,514 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, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was based on 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, 2021 the District's proportion was 0.135413%.

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 CERS Net Pension Net OPEB Liability	\$ 2,592,414
Commonwealth's Proportionate Share of the CERS Net OPEB Liability Associated With The District	-
Total	\$ 2,592,414

For the year ended June 30, 2022, the District recognized OPEB expense of \$249,857. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the CERS OPEB from the following sources:

See table on next page

9. OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

	OPEB CERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 407,658	\$ 774,009
Changes of assumptions	687,298	2,411
Net difference between projected and actual earnings on pension plan investments	130,613	536,161
Changes in proportion and differences between District contributions and proportionate share of contributions	-	162,845
District Contributions subsequent to the measurement date	<u>219,659</u>	<u>-</u>
Total	<u>\$ 1,445,228</u>	<u>\$ 1,475,426</u>

Of the total amount reported as deferred outflows of resources related to the OPEB, \$180,895 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MIP OPEB will be recognized in the District's MIP OPEB expense as follows:

Year ended June 30,	
2022	\$ 4,638
2023	(56,852)
2024	(35,103)
2025	(162,540)
	<u>\$ (249,857)</u>

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.

Discount rate -The discount rates used to measure the total OPEB liability for life insurance 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.

9. OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.20% 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 (4.20 or 1-percentage-point higher 6.20% than the current rate.

	<u>1% decrease</u>	<u>Current</u> <u>discount rate</u>	<u>1% increase</u>
	<u>4.20%</u>	<u>5.20%</u>	<u>6.20%</u>
CERS			
District's proportionate share of net OPEB liability	\$ 3,559,365	\$ 2,592,414	\$ 1,798,871

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% decrease</u>	<u>Current</u> <u>trend rate</u>	<u>1% increase</u>
CERS			
District's proportionate share of net OPEB liability	\$ 1,866,230	\$ 2,592,414	\$ 3,468,930

OPEB Plan Fiduciary Net Position- Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

10. DEFERRED COMPENSATION

The District offers its employees participation in a deferred compensation program administered by the Kentucky Public Employees' Deferred Compensation Authority. This program offers a plan authorized by Section 457(b) of the Internal Revenue Code and a plan authorized by Section 401(k) of the Internal Revenue Code. Both plans are available to all employees and permit them to defer up to 25% of their compensation (subject to limits) until future years. The District makes no contributions to these plans.

11. OPERATING LEASES

The District leases maintenance equipment when needed and office copiers on an annual basis under operating leases. For the year ended June 30, 2022, the District had no non-cancelable leases or financing leases.

12. CONTINGENCIES

Grants - The District receives funding from Federal, State, and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantor may request a refund of funds advanced, or refuse to reimburse the District for its disbursements, and the collectability of any related receivables as of June 30, 2022 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 their programs.

CASEY COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
Year ended June 30, 2022

13. LITIGATION

The District is subject to legal actions in various states of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the financial statements as a result of the cases presently in progress.

14. RISK MANAGEMENT

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. Settled claims resulting from these risks have created a potential liability as discussed in the *Contingencies* disclosure above.

Contributions for Workers' Compensation coverage are based on premium rates established in conjunction with the insurance carrier, subject to claims experience modifications and discounts.

15. DEFICIT FUND BALANCES

The District had a deficit net position in the Food Service Fund due to the recognition of a net pension and OPEB liability. No other funds had deficit fund balances, but some accounts may have deficit operating balances.

16. COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss (contingency). There were no instances of noncompliance noted.

17. TRANSFER OF FUNDS

The following transfers were made during the year:

Type	Fund	Amount In	Amount Out
Operating	General Fund	\$ 377,699	\$ 50,000
Operating	Special Revenue	54,789	214,731
Operating	Student Activity	21,849	26,638
Operating	Capital Outlay	-	200,939
Operating	Building	-	851,208
Operating	Construction	166,196	-
Operating	Debt Service	722,984	-
		<u>\$ 1,343,516</u>	<u>\$ 1,343,516</u>

18. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2022, the general fund had a \$776,035 interfund receivable due from the special revenue fund and the asset and liability are recorded in the respective funds.

19. ON-BEHALF PAYMENTS

The District receives on-behalf payments for fringe benefits from the Commonwealth of Kentucky. These amounts are included in the fund financial statements.

CASEY COUNTY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

19. ON-BEHALF PAYMENTS - CONTINUED

For the year ended June 30, 2022, total payments of \$6,935,847 were made for life insurance, health insurance, KTRS matching and administrative fees, technology and debt service 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 revenues, expenses and changes in fund balances. The benefit allocation per category was as follows:

Retirement System of Kentucky	\$	2,625,202
Health Insurance		2,797,662
Other Less Federal		147,146
Technology		92,509
Debt Service		1,273,328
	\$	<u>6,935,847</u>

20. FUND BALANCE DESIGNATIONS

The following had non- spendable fund balances as follows:

Fund	Amount	Purpose
General	\$ 5,807	Prepaid

The following funds had committed fund balances as follows:

Fund	Amount	Purpose
General	\$ 106,500	Sick Leave Retirement Benefit
Construction	\$ 820,000	Furture Construction
Other	\$ 1,349,000	Miscellaneous

The following funds had assigned fund balances as follows:

Fund	Amount	Purpose
General	\$ 96,452	SBDM Carry Forward
General	\$ 20,596	Purchase Obligations

CASEY COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
 Year ended June 30, 2022

20. FUND BALANCE DESIGNATIONS (Continued)

The following funds had restricted fund balances as follows:

Fund	Amount	Purpose
General	\$ 75,556	Sick Leave
Special Revenue	\$ 126,442	KETS Grants
Food Service Fund	\$ (392,908)	Other Pensions
Student Activity	\$ 224,814	Student Activities
Capital Outlay	\$ 15,928	Capital Activities
Construction Fund	\$ 111,714	Construction
Program fund	\$ 334,180	Facilities

21. COVID-19 PANDEMIC

COVID-19 continues to spread across the globe and is impacting worldwide economic activity and financial markets. The continued spread of the disease represents a significant risk that operations could continue to be disrupted in the near future. The District currently has measures in place to move to nontraditional instruction, if needed. The extent to which COVID-19 may impact the District will depend on future developments and governmental regulations, which are highly uncertain and cannot be predicted. As a result, the District has not yet determined the impact this disruption may have on its financial statements for the year ending June 30, 2022.

22. SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through November 15, 2022, which was the date the report was available for release. No events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements. However, in March 2021, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The pandemic is still ongoing as of the date of this audit report.

REQUIRED SUPPLEMENTARY INFORMATION

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND

Year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources				
Taxes:				
Property	\$ 2,570,000	\$ 2,570,000	\$ 2,834,299	\$ 264,299
Motor vehicle	550,000	550,000	661,200	111,200
Utility	725,000	725,000	828,596	103,596
Other	1,000	1,000	17,414	16,414
Earnings on investments	20,000	20,000	26,963	6,963
Other local	5,000	5,000	59,259	54,259
Intergovernmental - State	14,749,900	14,749,900	16,406,985	1,657,085
Intergovernmental - Federal	50,000	50,000	101,039	51,039
Total revenues	<u>18,670,900</u>	<u>18,670,900</u>	<u>20,935,755</u>	<u>2,264,855</u>
Expenditures				
Current:				
Instruction	11,426,199	11,426,199	11,526,388	(100,189)
Student	1,229,832	1,229,832	1,273,288	(43,456)
Instructional support	667,434	667,434	663,992	3,442
District administration	725,919	725,919	755,961	(30,042)
School administration	1,123,635	1,123,635	1,210,562	(86,927)
Business operations	909,616	909,616	993,874	(84,258)
Plant operations and maintenance	3,501,400	3,501,400	2,791,070	710,330
Student transportation	2,734,258	2,734,258	1,996,246	738,012
Community service	43,500	43,500	25,940	17,560
Other	50,000	50,000	50,000	-
Contingency	2,807,885	2,807,885	-	2,807,885
Total expenditures	<u>25,219,678</u>	<u>25,219,678</u>	<u>21,287,321</u>	<u>3,932,357</u>
Excess (deficit) of revenues over (under) expenditures	(6,548,778)	(6,548,778)	(351,566)	6,197,212
Other financing sources (uses)				
Transfers in	-	-	377,699	377,699
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>377,699</u>	<u>377,699</u>
Net change in fund balance	(6,548,778)	(6,548,778)	26,133	6,574,911
Fund balance as of June 30, 2021	<u>8,495,921</u>	<u>8,495,921</u>	<u>8,495,921</u>	-
Fund balance as of June 30, 2022	<u>\$ 1,947,143</u>	<u>\$ 1,947,143</u>	<u>\$ 8,522,054</u>	<u>\$ 6,574,911</u>

CASEY COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND
 Year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources:				
Other local	\$ 48,467	\$ 48,467	\$ 51,781	\$ 3,314
Earnings on investments	-	-	449	449
Intergovernmental - State	959,324	959,324	1,083,349	124,025
Intergovernmental - Federal	15,714,161	15,714,161	6,051,279	(9,662,882)
Total revenues	<u>16,721,952</u>	<u>16,721,952</u>	<u>7,186,858</u>	<u>(9,535,094)</u>
Expenditures				
Current:				
Instruction	9,698,227	9,698,227	6,110,590	3,587,637
Student support services	74,193	74,193	92,571	(18,378)
Instructional support	373,717	373,717	333,973	39,744
Business Support Services	-	-	2,702	(2,702)
Plant operations & maintenance	63,801	63,801	57,400	6,401
Student transportation	-	-	73,844	(73,844)
Non instructional	108,518	108,518	114,488	(5,970)
Community service	283,540	283,540	266,168	17,372
Total expenditures	<u>10,601,996</u>	<u>10,601,996</u>	<u>7,051,736</u>	<u>3,550,260</u>
Deficit of revenues under expenditures	<u>6,119,956</u>	<u>6,119,956</u>	<u>135,122</u>	<u>(5,984,834)</u>
Other financing sources				
Operating transfers in	50,000	50,000	54,789	4,789
Operating transfers out	(6,174,156)	(6,174,156)	(214,731)	5,959,425
Total other financing sources	<u>(6,124,156)</u>	<u>(6,124,156)</u>	<u>(159,942)</u>	<u>5,964,214</u>
Net change in fund balance	<u>(4,200)</u>	<u>(4,200)</u>	<u>(24,820)</u>	<u>(20,620)</u>
Fund balance as of June 30, 2021	<u>151,262</u>	<u>151,262</u>	<u>151,262</u>	<u>-</u>
Fund balance as of June 30, 2022	<u>\$ 147,062</u>	<u>\$ 147,062</u>	<u>\$ 126,442</u>	<u>\$ (20,620)</u>

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND

Year ended June 30, 2022

The District's budgetary process accounts for transactions on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy, and from estimates of other Local, State, and Federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay, and other necessary expenses. The budget must be approved by the Board. The District must formally and publicly examine estimated revenues and expenses for the subsequent fiscal year by January 31 of each calendar year. Additionally, the District must submit a certified budget to the Kentucky Department of Education by March 15 of each calendar year, which includes the amount for certified and classified staff, based on the District's staffing policy, and the amount for the instructional supplies, materials, travel and equipment. Additionally, the District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each calendar year. The budget must contain a 2% reserve but not greater than 10%. Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of each calendar year. The Board has the ability to amend the working budget.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 COUNTY EMPLOYEES RETIREMENT SYSTEM

June 30, 2022

	District's proportion of net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.14%	\$ 8,635,581	\$ 3,800,325	227.23%	57.33%
2021	0.14%	\$ 10,557,028	\$ 3,513,325	300.49%	47.81%
2020	0.14%	\$ 9,791,476	\$ 3,420,790	286.23%	50.45%
2019	0.14%	\$ 8,469,546	\$ 3,493,709	242.42%	53.64%
2018	0.15%	\$ 8,963,129	\$ 3,628,647	247.56%	53.30%
2017	0.14%	\$ 6,976,424	\$ 3,163,994	221.19%	55.50%
2016	0.13%	\$ 5,641,236	\$ 3,082,681	183.00%	59.97%
2015	0.14%	\$ 4,418,000	\$ 3,269,012	135.15%	66.80%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
 COUNTY EMPLOYEES RETIREMENT SYSTEM

Year ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2022	\$ 804,529	\$ 804,529	\$ -	\$ 3,800,325	21.17%
2021	\$ 670,692	\$ 670,692	\$ -	\$ 3,475,607	19.30%
2020	\$ 678,072	\$ 678,072	\$ -	\$ 3,513,325	19.30%
2019	\$ 567,991	\$ 567,991	\$ -	\$ 3,501,794	16.22%
2018	\$ 505,899	\$ 505,899	\$ -	\$ 3,493,709	14.48%
2017	\$ 506,196	\$ 506,196	\$ -	\$ 3,628,647	13.95%
2016	\$ 391,736	\$ 391,736	\$ -	\$ 3,153,994	12.42%
2015	\$ 393,029	\$ 393,029	\$ -	\$ 3,082,581	12.75%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - PENSION FUND
Year ended June 30, 2022

Changes of Benefit Terms

None.

Changes of Assumptions

None.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET OPEB LIABILITY - MEDICAL INSURANCE PLAN
 County Employees Retirement System
 June 30, 2022

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.14%	\$ 2,592,414	\$ 3,800,325	68.22%	62.91%
2021	0.14%	\$ 3,322,670	\$ 3,475,607	95.60%	51.67%
2020	0.14%	\$ 2,341,029	\$ 3,420,790	68.44%	60.44%
2019	0.14%	\$ 2,469,000	\$ 3,501,794	70.51%	57.62%
2018	0.15%	\$ 3,085,293	\$ 3,628,647	85.03%	52.40%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN

County Employees Retirement System

Year Ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2022	\$ 219,659	\$ 219,659	\$ -	\$ 3,800,325	5.78%
2021	\$ 165,439	\$ 165,439	\$ -	\$ 3,475,607	4.76%
2020	\$ 167,234	\$ 167,234	\$ -	\$ 3,513,326	4.76%
2019	\$ 184,194	\$ 184,194	\$ -	\$ 3,501,794	5.26%
2018	\$ 164,204	\$ 164,204	\$ -	\$ 3,493,709	4.70%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
Year ended June 30, 2022

Changes of Benefit Terms

None.

Changes of Assumptions

None.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 KENTUCKY TEACHERS' RETIREMENT SYSTEM
 June 30, 2022

	<u>State's proportion of net pension liability (asset)</u>	<u>State's proportionate share of the net pension liability (asset)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2022	100%	\$ 39,541,567	65.59%
2021	100%	\$ 37,478,711	58.27%
2020	100%	\$ 38,537,518	58.80%
2019	100%	\$ 39,523,507	59.30%
2018	100%	\$ 73,260,579	39.83%
2017	100%	\$ 80,288,379	35.22%
2016	100%	\$ 62,483,320	42.49%
2015	100%	\$ 62,326,179	45.59%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF STATE CONTRIBUTIONS
 KENTUCKY TEACHERS' RETIREMENT SYSTEM

Year ended June 30, 2022

	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>
2022	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

KENTUCKY TEACHERS RETIREMENT SYSTEM

Year ended June 30, 2022

Changes of Benefit Terms

None.

Changes of Assumptions

Inflation, changed from 3.00% to 2.50%

Real Wage Growth decreased from 0.50% to 0.25%.

Wage Inflation decreased from 3.50% to 2.75%.

Salary Increases, including wage inflation, changed from 3.50-7.20% to 3.00-7.50%.

Long-Term Investment Rate of Return, net of pension expense, including inflation, changed from 7.50% to 7.10%

Municipal Bond Index Rate changed from 2.19% to 2.13%.

Single Equivalent Interest Rate, net of pension expense, including inflation, changed from 7.50% to 7.10%

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET OPEB LIABILITY - MEDICAL INSURANCE PLAN
 Kentucky Teachers' Retirement System
 June 30, 2022

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.25%	\$ 3,059,000	\$ 2,493,000	\$ 10,764,266	28.51%	39.05%
2021	0.25%	\$ 3,601,000	\$ 2,885,000	\$ 9,860,300	36.52%	39.05%
2020	0.27%	\$ 4,439,000	\$ 3,585,000	\$ 10,580,700	41.95%	32.60%
2019	0.29%	\$ 5,428,403	\$ 4,678,000	\$ 9,947,957	54.57%	32.60%
2018	0.26%	\$ 5,142,677	\$ 4,201,000	\$ 9,684,851	53.10%	25.50%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
 Kentucky Teachers' Retirement System
 Year Ended June 30, 2022

	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2022	\$ 321,137	\$ 321,137	\$ -	\$ 10,754,266	3.00%
2021	\$ 307,000	\$ 307,000	\$ -	\$ 10,247,213	3.00%
2020	\$ 295,000	\$ 295,000	\$ -	\$ 9,850,500	3.00%
2019	\$ 317,421	\$ 317,421	\$ -	\$ 10,590,700	3.00%
2018	\$ 298,439	\$ 298,439	\$ -	\$ 9,947,967	3.00%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Kentucky Teachers' Retirement System - Medical Insurance Plan Year ended June 30, 2022

Changes of Benefit Terms

None.

Changes of Assumptions

Inflation decreased from 3.00% to 2.50%.

Real Wage Growth decreased from 0.50% to 0.25%.

Wage Inflation decreased from 3.50% to 2.75%.

Salary Increases, including wage inflation, changed from 3.50-7.20% to 3.00-7.50%.

Long-Term Investment Rate of Return, net of OPEB expense, including inflation, changed from 8.00% to 7.10%

Municipal Bond Index Rate changed from 2.19% to 2.13%.

Single Equivalent Interest Rate, net of pension expense, including inflation, changed from 8.00% to 7.10%

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE
 NET OPEB LIABILITY - LIFE INSURANCE PLAN
 Kentucky Teachers' Retirement System
 June 30, 2022

	<u>State's proportion of net OPEB liability (asset)</u>	<u>State's proportionate share of the net OPEB liability (asset)</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2022	100%	\$ 124,000	89.15%
2021	100%	\$ 87,000	71.57%
2020	100%	\$ 83,000	73.40%
2019	100%	\$ 80,000	75.00%
2018	100%	\$ 56,000	79.99%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF STATE CONTRIBUTIONS - LIFE INSURANCE PLAN

Kentucky Teachers' Retirement System

Year Ended June 30, 2022

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)
2022	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

CASEY COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS' RETIREMENT SYSTEM - LIFE INSURANCE PLAN
Year ended June 30, 2022

Changes of Benefit Terms

None.

Changes of Assumptions

Inflation decreased from 3.00% to 2.50%.

Real Wage Growth decreased from 0.50% to 0.25%.

Wage Inflation decreased from 3.50% to 2.75%.

Salary Increases, including wage inflation, changed from 3.50-7.20% to 3.00-7.50%.

Long-Term Investment Rate of Return, net of OPEB expense, including inflation, changed from 7.50% to 7.10%

Municipal Bond Index Rate changed from 2.19% to 2.13%.

Single Equivalent Interest Rate, net of pension expense, including inflation, changed from 7.50% to 7.10%

CASEY COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Student Activity Fund	Capital Outlay Fund	Construction Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Total Non-major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 232,249	\$ 15,928	\$ 102,763	\$ 334,180	\$ -	\$ 685,120
Accounts receivable	500	-	8,951	-	-	9,451
Total assets	\$ 232,749	\$ 15,928	\$ 111,714	\$ 334,180	\$ -	\$ 694,571
LIABILITIES AND FUND BALANCES						
Accounts payable	7,935	-	-	-	-	7,935
Fund Balances: Restricted	\$ 224,814	\$ 15,928	\$ 111,714	\$ 334,180	\$ -	\$ 686,636
Total liabilities fund balances	\$ 232,749	\$ 15,928	\$ 111,714	\$ 334,180	\$ -	\$ 694,571

CASEY COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2022

	Student Activity Fund	Capital Outlay Fund	Construction Fund	Facility Support FSPK Fund	Debt Service Fund	Total Non-major Governmental Funds
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 372,710	\$ -	\$ 372,710
Earnings on investments	621	-	310	-	-	931
Food service	36,453	-	-	-	-	36,453
Student activities	269,156	-	-	-	-	269,156
Other local	12,646	-	-	-	-	12,646
Intergovernmental - State	-	214,682	-	610,534	1,273,328	2,098,544
Total revenues	318,876	214,682	310	983,244	1,273,328	2,790,440
Expenditures						
Instruction	312,828	-	-	-	-	312,828
Instructional support	-	-	-	-	-	-
Other	-	-	-	-	-	-
Student transportation	4,255	-	-	-	-	4,255
Site improvement	-	-	167,110	-	-	167,110
Non-Instruction	23,386	-	-	-	-	23,386
Debt service	-	-	-	-	1,996,312	1,996,312
Total expenditures	340,469	-	167,110	-	1,996,312	2,503,891
Other financing sources (uses)						
Transfers in	21,849	-	166,195	-	722,984	911,028
Transfers out	(26,638)	(200,939)	-	(851,208)	-	(1,078,785)
Total other financing sources (uses)	(4,789)	(200,939)	166,195	(851,208)	722,984	(167,757)
Net change in fund balance	(26,382)	13,743	(605)	132,036	-	118,792
Fund balance as of June 30, 2021	251,196	2,185	112,319	202,144	-	567,844
Fund balance as of June 30, 2022	\$ 224,814	\$ 15,928	\$ 111,714	\$ 334,180	\$ -	\$ 686,636

CASEY COUNTY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - ELEMENTARY AND MIDDLE SCHOOL ACTIVITY FUNDS
 Year Ended June 30, 2022

School/ Activity Fund	Cash and Equivalents June 30, 2021	Receipts	Disbursements	Cash and Cash Equivalents June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Balances June 30, 2022
Jones Park Elementary	\$ 21,567	\$ 8,897	\$ 11,615	\$ 18,849	\$ -	\$ -	\$ 18,849
Liberty Elementary	17,014	10,223	10,512	16,725	-	-	16,725
Walnut Hill Elementary	6,302	8,418	10,265	4,455	-	-	4,455
Casey County Middle School	60,599	141,405	152,475	49,529	-	-	49,529
Casey County Middle School Gaming	1,865	-	-	1,865	-	-	1,865
Totals	\$ 107,347	\$ 168,943	\$ 184,867	\$ 91,423	\$ -	\$ -	\$ 91,423

See accompanying independent auditor's report.

CASEY COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
CASEY COUNTY HIGH SCHOOL ACTIVITY FUND
Year ended June 30, 2022

	Balances			Transfers	Cash and	Accounts	Accounts	Balances
	June 30, 2021	Receipts	Disbursements	in (out)	cash	Receivable	Payable	June 30, 2022
					equivalents	June 30, 2022	June 30, 2022	June 30, 2022
C Fund	\$ 6,698	\$ 2,178	\$ 3,164	\$ (15)	\$ 5,697	\$ -	\$ -	5,697
CA Fund (Staff)	11	9,224	6,228	(186)	2,619	-	-	2,619
C Fund/Donations	368	-	-	-	368	-	-	368
CCHS Vending	3,725	1,129	1,213	-	3,641	-	-	3,641
ATH/Donations	409	1,513	-	-	1,922	-	-	1,922
Art Donations	468	-	-	-	468	-	-	468
FFA Donation	1,619	3,770	3,425	(189)	1,795	-	-	1,795
JR Class Donations	15	-	-	-	15	-	-	15
Girls Golf/Donations	1,657	850	-	-	2,507	-	-	2,507
Girls Soccer/Donations	222	-	-	-	222	-	-	222
Cross County Donations	2,095	3,201	4,504	-	792	-	-	792
Tennis Donations Girls	255	-	246	-	9	-	-	9
Track Donations	830	706	1,918	550	168	-	-	168
Boys Golf Donations	140	-	-	-	140	-	-	140
Boys Tennis Donations	4	-	-	-	4	-	-	4
Boys Soccer Donations	812	-	-	-	812	-	-	812
ROTC Donations	112	100	98	-	114	-	-	114
JAG Donations	2	-	-	-	2	-	-	2
Football Donations	150	-	-	-	150	-	-	150
Bereavement Fund Donatio	268	295	432	-	131	-	-	131
Athletics General	16,560	36,574	25,869	(46)	27,219	-	-	27,219
Ath-Vending	1,222	516	528	-	1,210	-	-	1,210
Lady Rebel Basketball	1,351	3,445	4,284	130	642	-	-	642
Rebel Basketball	1,494	3,876	4,858	-	512	-	-	512
Football	6,739	10,995	8,972	-	8,762	-	-	8,762
Start-Up/Cash Advance	-	1,695	1,700	5	-	-	-	-
Art Club	2,049	680	402	-	2,327	-	-	2,327
Beta Club	17	970	642	-	345	-	-	345
Cosmetology	-	2,658	-	(2,658)	-	-	-	-
FFA	6,652	32,788	34,787	269	4,922	-	-	4,922
FCA	294	-	-	-	294	-	-	294
Home Economics	326	-	-	(326)	-	-	-	-
Junior Class/Prom	8,294	10,755	11,408	-	7,641	-	-	7,641
Pep Club	1,058	-	114	-	944	-	-	944
Science Club	4	-	-	-	4	-	-	4
Student Leadership	-	517	453	326	390	-	-	390
Spanish Club	100	-	-	-	100	-	-	100
Student Council	1	1,087	680	-	408	-	-	408
Yearbook	33,697	17,175	16,023	-	34,849	-	-	34,849
Transportation Fees	-	1,450	-	(1,450)	-	-	-	-
Library	-	46	-	-	46	-	-	46
Technology	-	225	-	(46)	179	-	-	179
JAG	272	-	-	(225)	47	-	-	47
Senior T Shirts	134	-	-	-	134	-	-	134
Y Club	7,171	550	658	-	7,063	-	-	7,063
FEA	724	-	-	-	724	-	-	724
Media TV	188	-	-	-	188	-	-	188
Rebel Printing	399	-	-	-	399	-	-	399
FR-ROTC	7,215	11,213	11,590	-	6,838	-	-	6,838
Outdoor Club	214	110	-	-	324	-	-	324
Casey Co Deca	17	170	170	-	17	-	-	17
Boys Soccer Donations	1,956	1,661	692	(323)	2,602	-	-	2,602
Cross Country	713	6,945	5,758	-	1,900	-	-	1,900
Dance Boosters	180	1,997	2,043	-	134	-	-	134
Golf Boosters/Boys	93	-	-	-	93	-	-	93
Golf Boosters/Girls	1,480	-	303	-	1,177	-	-	1,177
Girls Soccer Boosters	746	651	180	322	1,539	-	-	1,539
Track Boosters	178	8,351	5,023	(550)	2,956	-	-	2,956
Girls Tennis Boosters	344	4,764	4,627	-	481	-	-	481
Cheer	5,355	3,435	7,150	0	1,640	-	-	1,640
C-Fund DA	-	55	4,449	4,394	-	-	-	-
	\$ 127,097	\$ 188,320	\$ 174,591	\$ -	\$ 140,826	\$ -	\$ -	\$ 140,826

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CASEY COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
Expenditures			
<u>U.S. Department of Education</u>			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100002-20	\$ 31
Title I Grants to Local Educational Agencies	84.010	3100002-21	345,351
Title I Grants to Local Educational Agencies	84.010	3100202-22	1,274,165
			<u>1,619,547</u>
Migrant Education State Program	84.011	3110002.21	54,322
Migrant Education State Program	84.011	3110002.22	16,162
			<u>70,484</u>
School Improvement Grants	84.377	SIG-22	125,219
			<u>125,219</u>
<i>Special Education Cluster</i>			
Special Education Grants to States	84.027A	3810002-20	11,810
Special Education Grants to States	84.027A	3810002-21	181,762
Special Education Grants to States	84.027A	3810002-22	338,187
			<u>531,759</u>
Special Education Preschool Grants	84.173A	3800002-21	16,691
Special Education Preschool Grants	84.173A	3800002-22	19,094
			<u>35,785</u>
Total Special Education Cluster			
			<u>567,544</u>
Career and Technical Education - Basic Grants to States	84.048	3710002-21	4,275
Career and Technical Education - Basic Grants to States	84.048	3710002-22	12,811
			<u>17,086</u>
Rural and Low-Income School Program	84.358B	3140002-21	28,384
			<u>28,384</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	3160002-21	183,516
			<u>183,516</u>
Supporting Effective Instruction State Grants	84.367A	3230002-21	106,968
Supporting Effective Instruction State Grants	84.367A	3230002-22	54,527
			<u>161,495</u>
Striving Readers Literacy	84.371	SRL-20	48,869
Striving Readers Literacy	84.371	SRL-21	175,874
			<u>224,743</u>

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Education - Continued</u>			
Passed through the Kentucky Department of Education:			
21st Century Grant	84.287	3400002-20	45,478
			<u>45,478</u>
Student Support and Academic Enrichment Program	84.424	3420002-20	26,886
Student Support and Academic Enrichment Program	84.424	3420002-21	54,193
			<u>81,079</u>
Community Work Transitions Program	84.126	CWTP-21	40,418
			<u>40,418</u>
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000002-20	9,190
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-21	2,552,715
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-22	90,842
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER-20	26,391
			<u>2,679,138</u>
Total U.S. Department of Education			<u>5,844,131</u>
<u>U.S. Department of Health and Human Services</u>			
Improving student health	93.984	ISH-21	1,926
Improving student health	93.984	ISH-22	14,974
			<u>16,900</u>
Drug-Free Communities Support Program Grants	93.276	DFG-20	3,492
Drug-Free Communities Support Program Grants	93.276	DFG-21	59,440
Drug-Free Communities Support Program Grants	93.276	DFG-22	69,185
			<u>132,117</u>
STOP Act Grant	93.243	SAG-20	24,949
STOP Act Grant	93.243	SAG-21	14,589
STOP Act Grant	93.243	SAG-22	14,016
			<u>53,554</u>
Passed Through Kentucky Cabinet for Families and Children COVID-19 Child Care Development Grant	93.575	KCFC-22	58,420
			<u>58,420</u>
Total U.S. Department of Health and Human Services			<u>260,991</u>
<u>U.S. Department of Treasury</u>			
Cornavirus State and Local Fiscal Recovery Funds	21.017	CSLFRF	29,676
			<u>29,676</u>
Total U.S. Department of Treasury			<u>29,676</u>

CASEY COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Pass-Through		Federal Expenditures
	Listing Number	Grantors' Number	
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster-			
Passed Through State Department of Education			
National School Lunch Program	10.555	7750002-21	1,228,332
School Breakfast Program	10.553	7760005-21	400,150
Summer Food Service Program for Children	10.559	7690024-21	43,391
Commodities National Lunch Program	10.555	057502-02	<u>139,334</u>
Total Child Nutrition Cluster			<u>1,811,207</u>
Passed Through State Department of Education			
State Administrative Expenses for Child Nutrition	10.560	7700001-21	1,835
Child Nutrition Discretionary Grants Limited Availability	10.579	7840027-19	25,000
Fresh Fruits and Vegetables	10.582	770012-22	53,105
Pandemic EBT	10.649	9990000-21	3,063
Child and Adult Care Food Program	10.558	7790021-21	<u>17,090</u>
			<u>100,093</u>
Total U.S. Department of Agriculture			<u>1,911,300</u>
Total Expenditures of Federal Awards			<u>\$ 8,046,098</u>

CASEY COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Casey County School District and is presented 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because this Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the District.

2. IN-KIND COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. The District no longer maintains a separate commodities inventory due to changes in program regulations. Commodities are included under the Child Nutrition Cluster. The valued amount of commodities received for June 30, 2022 is \$139,334.

3. CLUSTER PROGRAMS

The following CFDA numbers are considered cluster programs:

Special Education Cluster	
Special Education Grants to States	84.027
Special Education – Preschool Grants	84.173
Child Nutrition Cluster	
National School Lunch Program	10.555
National School Breakfast Program	10.553
Special Milk Program for Children	10.556
Summer Food Services for Children	10.559

4. INDIRECT COST RATE

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

5. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



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Business Advisors

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

Independent Auditor's Report

Kentucky State Committee for
School District Audits
Members of the Board of Education
Casey County School District
Liberty, Kentucky

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 audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Appendix I to the Independent Auditor's Contract-General Audit Requirements* and *Appendix II to the Independent Auditor's Contract-State Audit Requirements*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Casey County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Casey County School District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Internal Control over Financial Reporting

Management of Casey County School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered Casey County School 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 Casey County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Casey County School District's internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Casey County School 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 test disclosed no instances of material noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract-State Audit Requirements*.

We noted other matters involving the internal control over financial reporting that we have reported to the management of Casey County School District in a separate letter dated November 15, 2022.

Purpose of this Report

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

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
November 15, 2022





Cloyd & Associates, PSC

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Business Advisors*

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

Independent Auditor's Report

Kentucky State Committee for
School District Audits
Members of the Board of Education
Casey County School District
Manchester, Kentucky

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

Opinion on Each Major Federal Program

We have audited Casey County School District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Casey County School District's major federal programs for the year ended June 30, 2022. The Casey County School 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, Casey County School 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, 2022.

Basis for Opinion on Each Major Program

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

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

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.





Cloyd & Associates, PSC

*Certified Public Accountants
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Business Advisors*

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Casey County School 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 Casey County School 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 Casey County School 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.





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and
Business Advisors*

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. However, material weaknesses or significant deficiencies may exist that have not been 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.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
November 15, 2022



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CASEY COUNTY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued		Unmodified	
Internal control over financial reporting:			
Material weakness identified	<u> </u>	Yes	<u> ✓ </u> No
Significant deficiencies identified that are not considered to be material weaknesses	<u> </u>	Yes	<u> ✓ </u> None reported
Noncompliance material to financial statement noted.	<u> </u>	Yes	<u> ✓ </u> No

Federal Awards

Internal control over major programs:			
Material weaknesses identified	<u> </u>	Yes	<u> ✓ </u> No
Significant deficiencies identified that are not considered to be material weaknesses	<u> </u>	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 2 CFR 200.516(a)?	<u> </u>	Yes	<u> ✓ </u> No

Identification of major programs:

Name of Federal Program or Cluster

CFDA Number

84.45D	COVID-19 Elementary and Secondary School Emergency Relief Fund
84.425U	COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief Plan
84.425C	COVID-19 Governor's Emergency Education Relief Fund

Dollar threshold used to distinguish between Type A and Type B program \$750,000

Auditee qualified as low risk ✓ Yes No

(Continued)

CASEY COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
Year Ended June 30, 2022

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None

CASEY COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2022

Status of Prior Year Findings

There were no prior year audit findings.

MANAGEMENT LETTER COMMENTS



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

Members of the Board of Education
Casey County School District
Liberty, Kentucky

In planning and performing our audit of the basic financial statements of Casey County School District for the year ended June 30, 2022, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control structure.

During our audit we noted matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report thereon dated November 15, 2022, on the basic financial statements of Casey County School District.

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

Respectfully,

Cloyd & Associates, PSC
London, Kentucky
November 15, 2022



CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
Year Ended June 30, 2022

Prior Year Comments – School Activity Funds

CURRENT YEAR COMMENTS - NONE