



Ohio County School District

Financial Statements

June 30, 2023

REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Required Supplementary Information:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet — Governmental Funds	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	28
Statement of Net Position — Proprietary Funds	29
Statement of Revenues, Expenses and Changes in Fund Net Position — Proprietary Funds	30
Statement of Cash Flows — Proprietary Funds	31
Statement of Fiduciary Net Position — Fiduciary Funds	33
Statement of Changes in Fiduciary Net Position — Fiduciary Funds	34
Notes to the Financial Statements	35

Required Supplementary Information:

Budgetary Comparison Schedule for the General Fund	84
Budgetary Comparison Schedule for the Special Revenue Fund	86
Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of District's Contributions – Kentucky Teachers' Retirement System	88
Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of District's Contributions – County Employees Retirement System	90
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – Kentucky Teachers' Retirement System – Medical Insurance Fund	93
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – Kentucky Teachers' Retirement System – Life Insurance Fund	95
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District's Contributions – County Employees Retirement System	97

Supplementary Information:

Combining Balance Sheet — Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds	101
Combining Statement of Net Position — Nonmajor Proprietary Funds	103
Combining Statement of Revenues, Expenses and Changes in Fund Net Position — Nonmajor Proprietary Funds	104
Combining Statement of Cash Flows — Nonmajor Proprietary Funds	105
Combining Statement of School Activity Funds	106
Statement of School Activity Funds — Ohio County High School	107
Schedule of Expenditures of Federal Awards	109
Notes to the Schedule of Expenditures of Federal Awards	111
Summary Schedule of Prior Audit Findings	112

Table of Contents

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	115
Schedule of Findings and Questioned Costs	118
Management Letter	120
THOUGHT LEADERSHIP	
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REPORT





Carr, Riggs & Ingram, LLC
922 State Street
Suite 100
Bowling Green, KY 42101

Mailing Address:
PO Box 104
Bowling Green, KY 42102

270.782.0700
270.782.0932 (fax)
CRlcpa.com

Independent Auditors' Report

Kentucky State Committee for School District Audits
Members of the Board of Education
Ohio County School District
Hartford, Kentucky

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and select pension/OPEB information on pages 5 through 18 and 84 through 99 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of Ohio 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, KY
November 13, 2023



FINANCIAL STATEMENTS





**OHIO COUNTY PUBLIC SCHOOL DISTRICT
HARTFORD, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023**

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

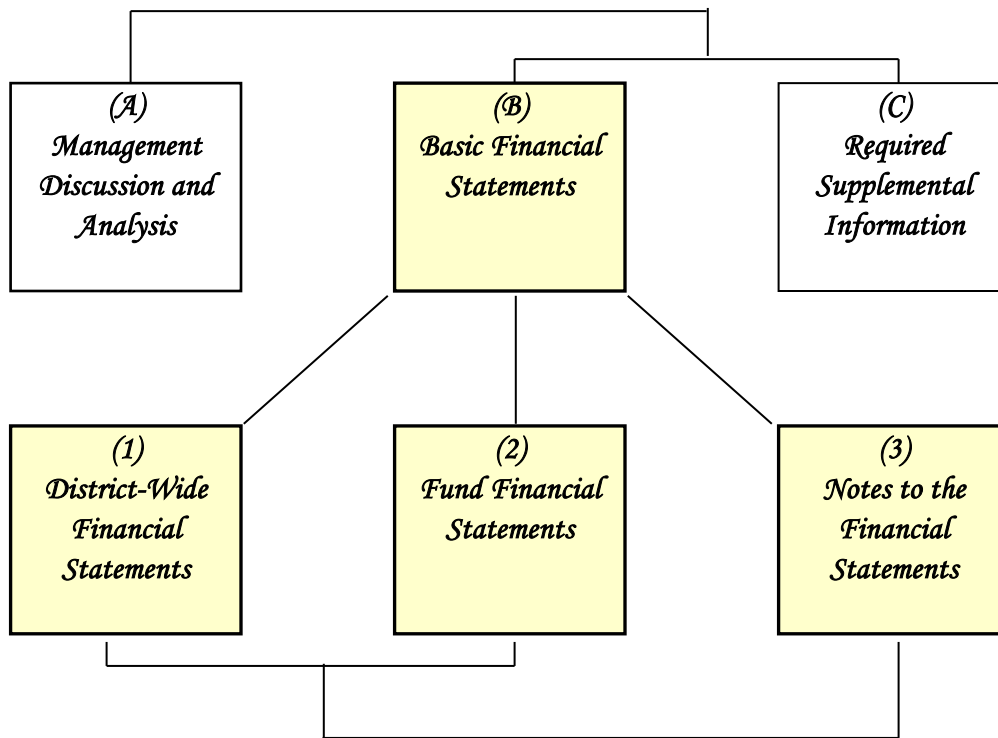
FINANCIAL HIGHLIGHTS

- The beginning General Fund fund balance for the District was \$21,158,361. The ending General Fund fund balance at June 30, 2023 is \$23,076,613. General Fund revenues increased by 9.8%, while General Fund expenditures increased by 8.4%. This represents a current year excess of revenues over expenditures (or surplus) of \$1,918,252. The revenue increase is primarily due to the enacted \$100 increase in base funding for state SEEK funding and interest earnings. Expenditures increased predominantly in instruction and student transportation.
- District government-wide revenues decreased by 12%, while expenditures decreased by 13%. As a result, revenues were \$6,613,938 more than expenditures.
- The District receives funding through the SEEK formula which is directly impacted by average daily attendance (ADA) of the prior school year and the property valuation assessment. The District's ADA for FY 2023 funding was 3,804 which is the hold harmless 2019 ADA due to the impact of the coronavirus (COVID-19) pandemic. General Fund SEEK increased by \$508,971 compared to the previous year. Property valuation assessment increased by \$69.7 million partially contributing to the SEEK funding increase.
- The District committed an additional \$1.5 million in the General Fund for future construction projects bringing the total committed amount to \$11 million.
- The district continues to recover from the impact of disruption and learning loss from the novel coronavirus (COVID-19). The district was awarded access to \$4,941,595 from the Elementary and Secondary School Emergency Relief Fund (ESSER) II and \$10,653,315 from the American Rescue Plan (ARP ESSER) to provide emergency aid, to implement prevention and mitigation strategies, to address the academic impact of lost instruction time by providing a wide variety of evidence based interventions to students, and to address the social, emotional and mental health needs of all students. While school schedules, school events and community activities may have normalized, the school district has focused increased resources and efforts to improve student achievement and overall well-being.

Overview of the Annual Financial Report (AFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ohio County Public School District as a financial whole, an entire operating entity, in a manner similar to a private-sector business. The annual report consists of three parts: (A) management's discussion and analysis (this section), (B) the basic financial statements and notes, and (C) required and other supplemental information. The statements then proceed to provide an increasingly detailed look at specific financial activities. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization of the Annual Financial Report



The Government-Wide Financial Statements have two sections (1) the *Statement of Net Position* and (2) the *Statement of Activities*. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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.

Reporting the District as a Whole

One of the most important questions asked about the District is “How did we do financially during 2023?” The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District’s financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, the District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as Kentucky’s SEEK funding formula and its adjustments, the District’s property tax base, required educational programs and other factors.

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

- **Governmental Activities** – Most of the District’s programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities. The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt are also supported by taxes and intergovernmental revenues.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District’s food service is reported as business activities. These activities are funded thru fees, federal grants, and federal commodities.

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$34,540,068 as of June 30, 2023.

The largest portion of the District’s net assets 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 is still outstanding (\$31,153,892). The District uses 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.

Reporting the District's Most Significant Funds

Fund Financial Statements

After looking at the District as a whole, an analysis of the District's major funds follows. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting 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 assets that belong to others. The school activity funds and private purpose trust funds are reported as fiduciary funds. A proprietary fund is sometimes referred to as an enterprise fund. It is a fund that operates like a business with sales of goods and services. All other activities of the district are included in the governmental funds. The major governmental funds for the Ohio County Public School District are the general fund and special revenue (grants) fund and construction fund.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statements of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match. The District's school food service operation, after school care program, school auditorium, and the community education operation are within the proprietary business-type activities.

Fiduciary Funds – Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. The schools' activity fund balance at year-end totaled \$112,788 (see page 106). The Districts' private purpose trust gross assets at year-end totaled \$3,951,344.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

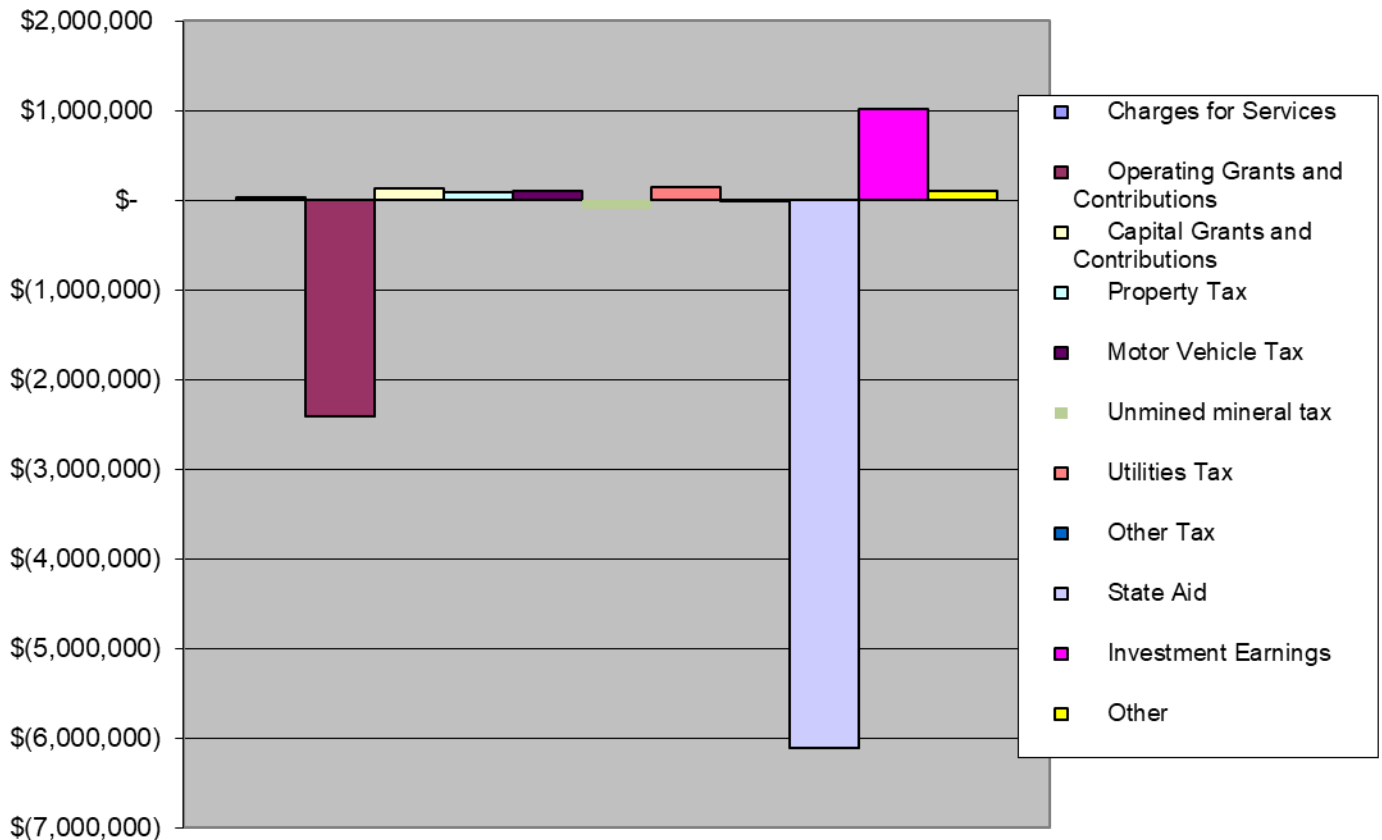
Net Position

	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Assets			
Current and Other Assets	\$ 27,269,921	\$ 31,532,067	4,262,146
Capital Assets	47,640,037	49,262,940	1,622,903
Total Assets	\$ 74,909,958	\$ 80,795,007	5,885,049
Deferred Outflows of Resources			
Deferred amount of debt refunding	\$ -	\$ -	-
Pension related	\$ 2,272,532	\$ 5,249,589	2,977,057
OPEB related	\$ 4,159,039	\$ 7,081,263	2,922,224
Total Assets and Deferred Outflows	\$ 81,341,529	\$ 93,125,859	11,784,330
Liabilities			
Long Term Liabilities	\$ 41,093,848	\$ 46,796,022	5,702,174
Other Liabilities (current)	2,884,039	3,216,971	332,932
Total Liabilities	\$ 43,977,887	\$ 50,012,993	6,035,106
Deferred Inflows of Resources			
Pension deferrals	\$ 2,748,802	\$ 2,165,178	(583,624)
OPEB deferrals	\$ 6,688,710	\$ 6,407,620	(281,090)
Total Liabilities and Deferred Inflows	\$ 53,415,399	\$ 58,585,791	5,170,392
Net Position			
Investment in capital assets (net of debt)	\$ 27,872,412	\$ 31,153,892	3,281,480
Restricted	1,461,604	2,954,533	1,492,929
Unrestricted	(1,407,886)	431,643	1,839,529
Total Net Position	\$ 27,926,130	\$ 34,540,068	6,613,938

Revenues

<u>Revenues</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Program Revenues:			
Charges for Services	\$ 189,536	\$ 225,048	35,512
Operating Grants and Contributions	15,406,265	12,990,234	(2,416,031)
Capital Grants and Contributions	1,993,002	2,124,650	131,648
General Revenues:			
Property Tax	5,338,465	5,425,696	87,231
Motor Vehicle Tax	1,045,288	1,155,555	110,267
Unmined mineral tax	110,594	22,290	(88,304)
Utilities Tax	1,481,596	1,626,193	144,597
Other Tax	74,745	70,624	(4,121)
State Aid	32,945,732	26,837,107	(6,108,625)
Investment Earnings	170,581	1,195,000	1,024,419
Other	983,596	1,089,833	106,237
Total Revenues	\$ 59,739,400	\$ 52,762,230	\$ (6,977,170)

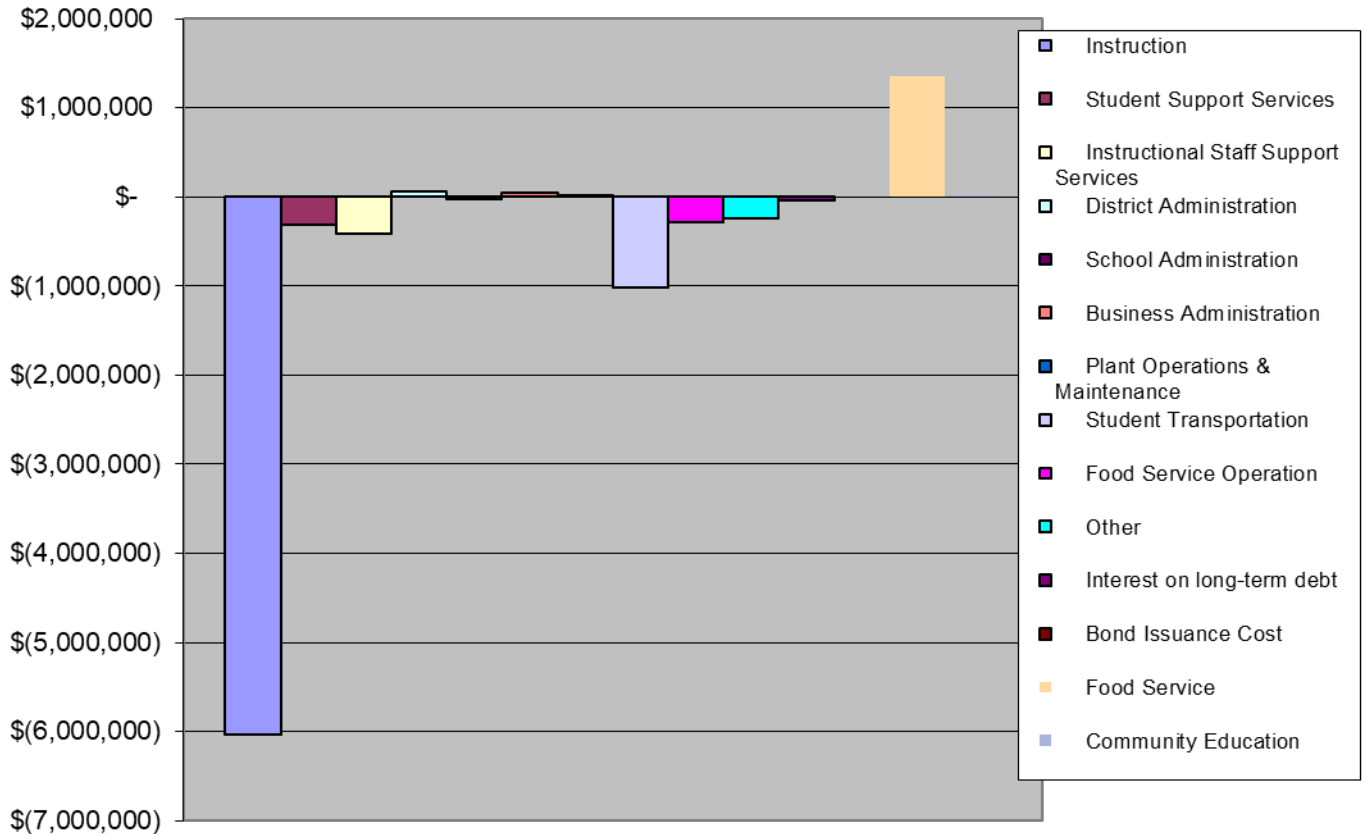
Revenue Variances



Expenses

<u>Expenses</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Instruction	\$ 29,495,662	\$ 23,469,733	\$ (6,025,929)
Student Support Services	2,332,019	2,021,848	(310,171)
Instructional Staff Support Services	2,215,199	1,800,187	(415,012)
District Administration	626,847	681,379	54,532
School Administration	2,666,928	2,644,134	(22,794)
Business Administration	1,739,271	1,782,135	42,864
Plant Operations & Maintenance	4,723,480	4,736,201	12,721
Student Transportation	4,846,162	3,826,105	(1,020,057)
Food Service Operation	332,545	47,994	(284,551)
Other	1,071,352	796,202	(275,150)
Interest on long-term debt	493,555	452,948	(40,607)
Bond Issuance Cost	-	-	-
Food Service	2,487,489	3,839,965	1,352,476
Community Education	47,394	49,461	2,067
Total Expenses	\$ 53,077,903	\$ 46,148,292	\$ (6,929,611)

Expense Variance

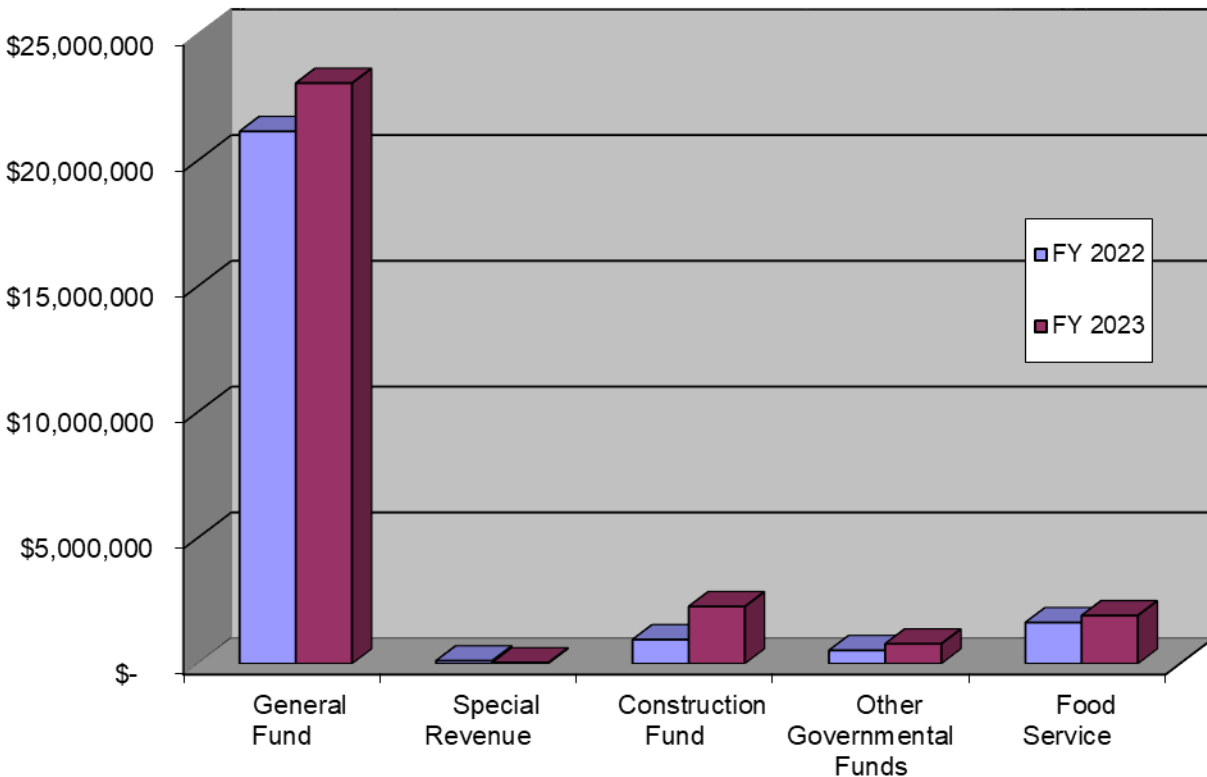


- The District’s total revenues were \$52,762,230 and the total expenses were \$46,148,292. Revenues exceeded expenses by \$6,613,938.
- State revenues accounted for 51% and local taxes accounted for 16% of the total revenue.
- Instruction was the major expense category and accounted for 51% of the total.

Financial Analysis of the District Funds

<u>Fund</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Amount Change</u>	<u>Percent Change</u>
General Fund	\$21,158,361	\$23,076,613	\$1,918,252	9%
Special Revenue	\$115,176	\$39,011	(\$76,165)	-66%
Construction Fund	\$958,125	\$2,272,318	\$1,314,193	137%
Other Governmental Funds	\$526,267	\$788,962	\$262,695	50%
Food Service	\$1,636,215	\$1,912,851	\$276,636	17%

Changes in End-of-Year Fund Balances



- The General Fund’s fund balance had a positive change of \$1,918,252.
- The Special Revenue Fund had a negative change of \$76,165.
- The Construction Fund had a positive change of \$1,314,193.
- The Other Governmental Funds had a positive change of \$262,695.
- The Food Service Fund’s balance showed a positive change of \$276,636.

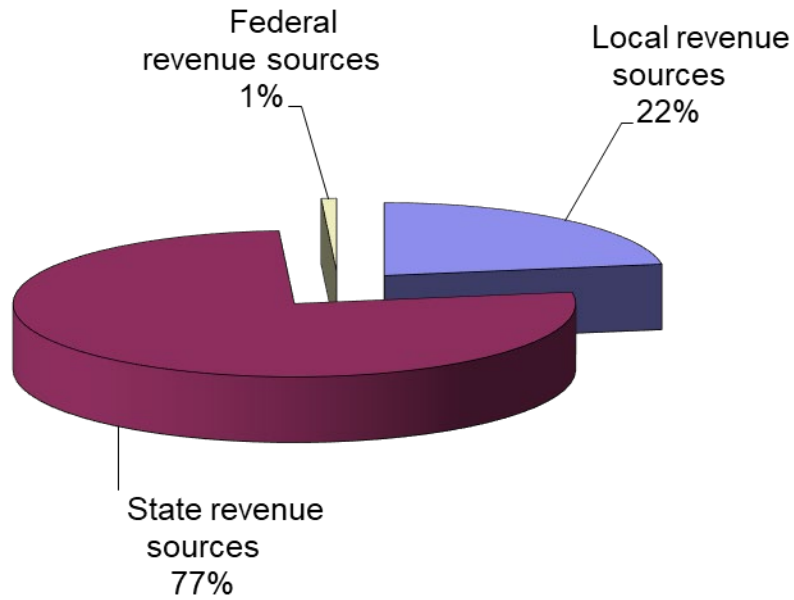
Comments on General Fund Budget Comparisons

- The District budgeted for its local revenues (taxes, earned interest, and tuition) in a conservative manner. Local revenues were more than budgeted (\$605,324).
- Expenditures were less than budgeted primarily because of unspent contingency funds.
- General Fund budget compared to actual revenue varied from line item to line item with the ending actual fund balance being \$1,918,252 more than the prior year.
- The contingency is not meant to be expended, but is to be used as the District’s beginning balance for next year. The ending General Fund balance was \$23,076,613 compared to the contingency budget of \$10,358,049.

The following tables present a summary of revenues and expenditures of the General Fund for the fiscal year ended June 30, 2023.

<u>Revenues</u>	<u>Amount</u>	
Local revenue sources		\$ 9,054,324
Property Tax	4,817,513	
Motor Vehicle Tax	1,155,555	
Utilities Tax	1,626,193	
Unmined Minerals Tax	22,290	
Other Taxes	70,624	
Tuition and fees	26,825	
Investment earnings	1,050,718	
Other Local Revenue	284,606	
State revenue sources		30,850,776
Federal revenue sources		353,840
Total Revenues		\$ 40,258,940

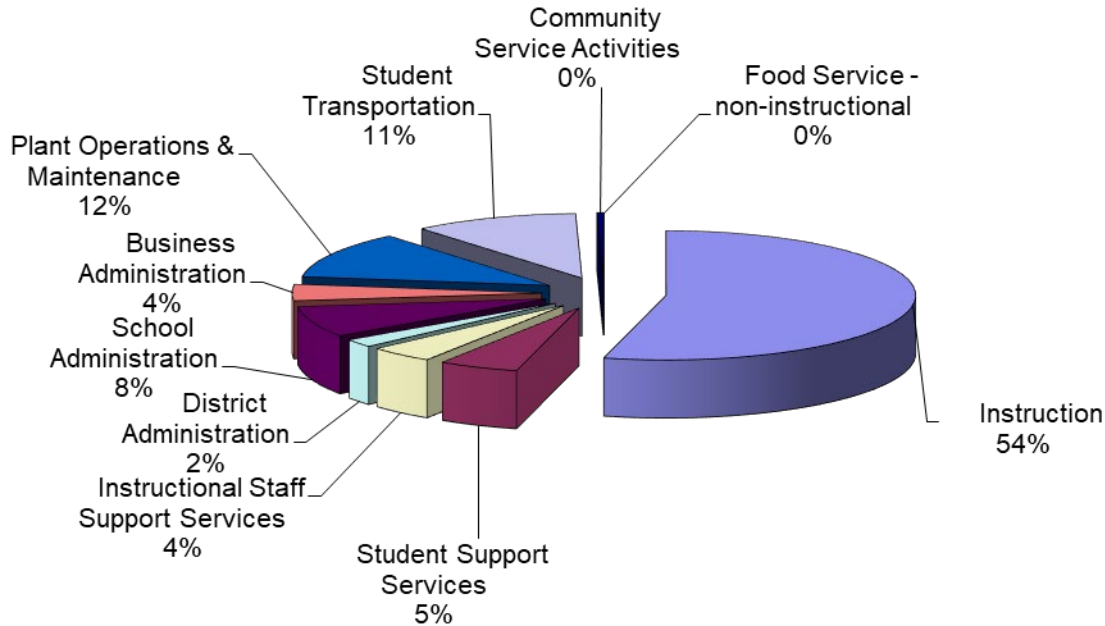
General Fund Revenue Sources



The majority of revenue was derived from state funding 77%, with local revenue sources making up 22% of total revenue.

<u>Expenditures</u>	<u>FY 2023</u>
Instruction	\$ 18,922,995
Student Support Services	1,810,448
Instructional Staff Support Services	1,469,769
District Administration	698,473
School Administration	2,706,611
Business Administration	1,423,879
Plant Operations & Maintenance	4,107,758
Student Transportation	3,748,159
Community Service Activities	144,021
Food Service - non-instructional	-
Unrealized loss on investments	-
Total Expenditures	\$ 35,032,113

General Fund Expenditures



The majority of expenditures were in the area of Instruction at 54% with Plant Operations & Maintenance at 12% and Student Transportation expenditures being 11%.

CAPITAL ASSET AND DEBT ADMINISTRATION

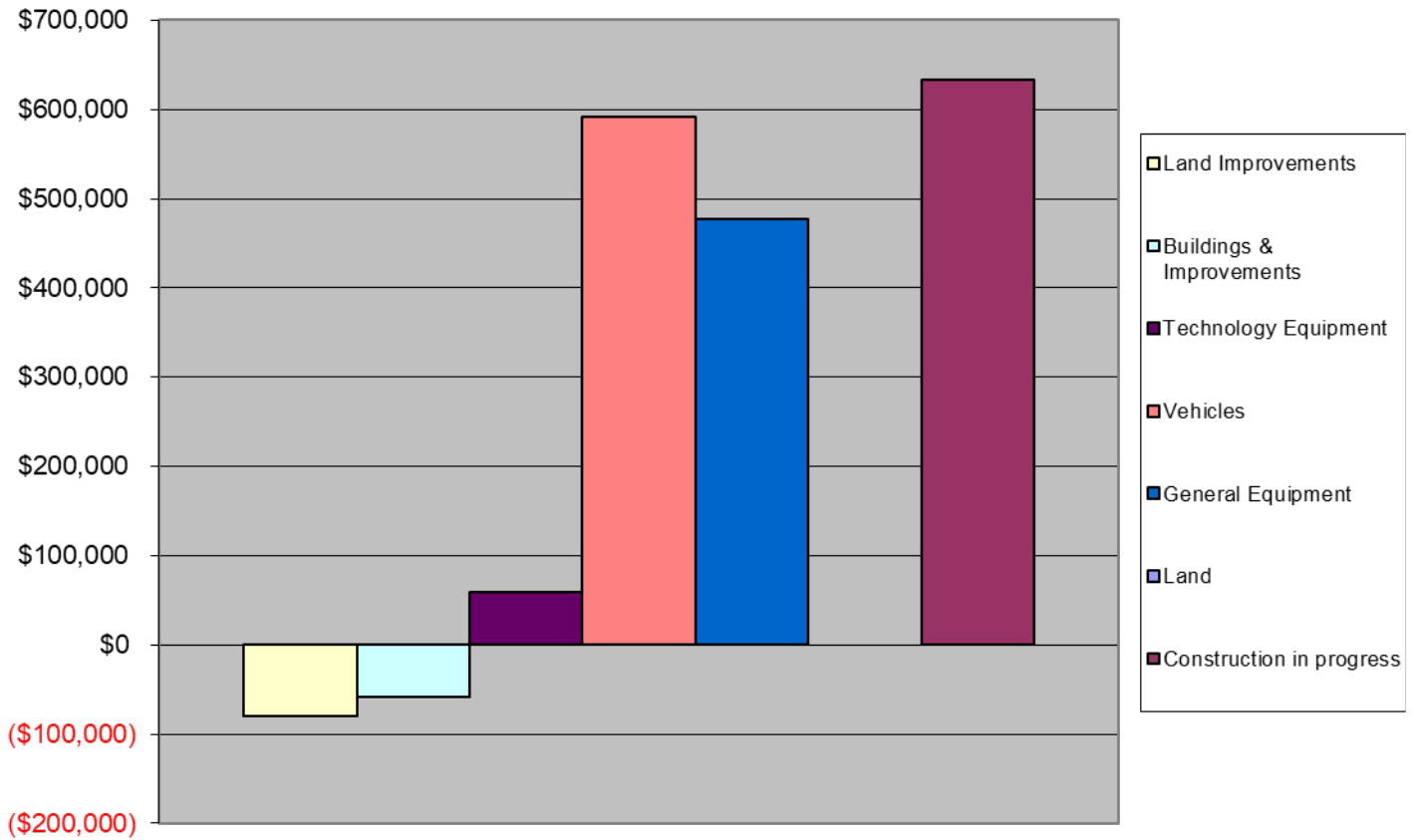
Capital Assets

By June 30, 2023, the district had invested \$47,640,037 in capital assets, net of accumulated depreciation. This included land, school buildings, athletic facilities, maintenance facilities, computer equipment and administrative offices. The cumulative total of assets was \$97,880,042 with accumulated depreciation of \$50,240,005.

SUMMARY OF CAPITAL ASSETS

<u>Assets</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>Change</u>
Land	\$456,873	\$456,873	\$0
Construction in progress	\$9,491,412	\$10,124,246	\$632,834
Land Improvements	\$670,638	\$590,038	(\$80,600)
Buildings & Improvements	\$34,726,899	\$34,668,918	(\$57,981)
Technology Equipment	\$174,189	\$233,605	\$59,416
Vehicles	\$1,363,909	\$1,955,716	\$591,807
General Equipment	\$756,117	\$1,233,544	\$477,427
Total Assets	\$47,640,037	\$49,262,940	\$1,622,903

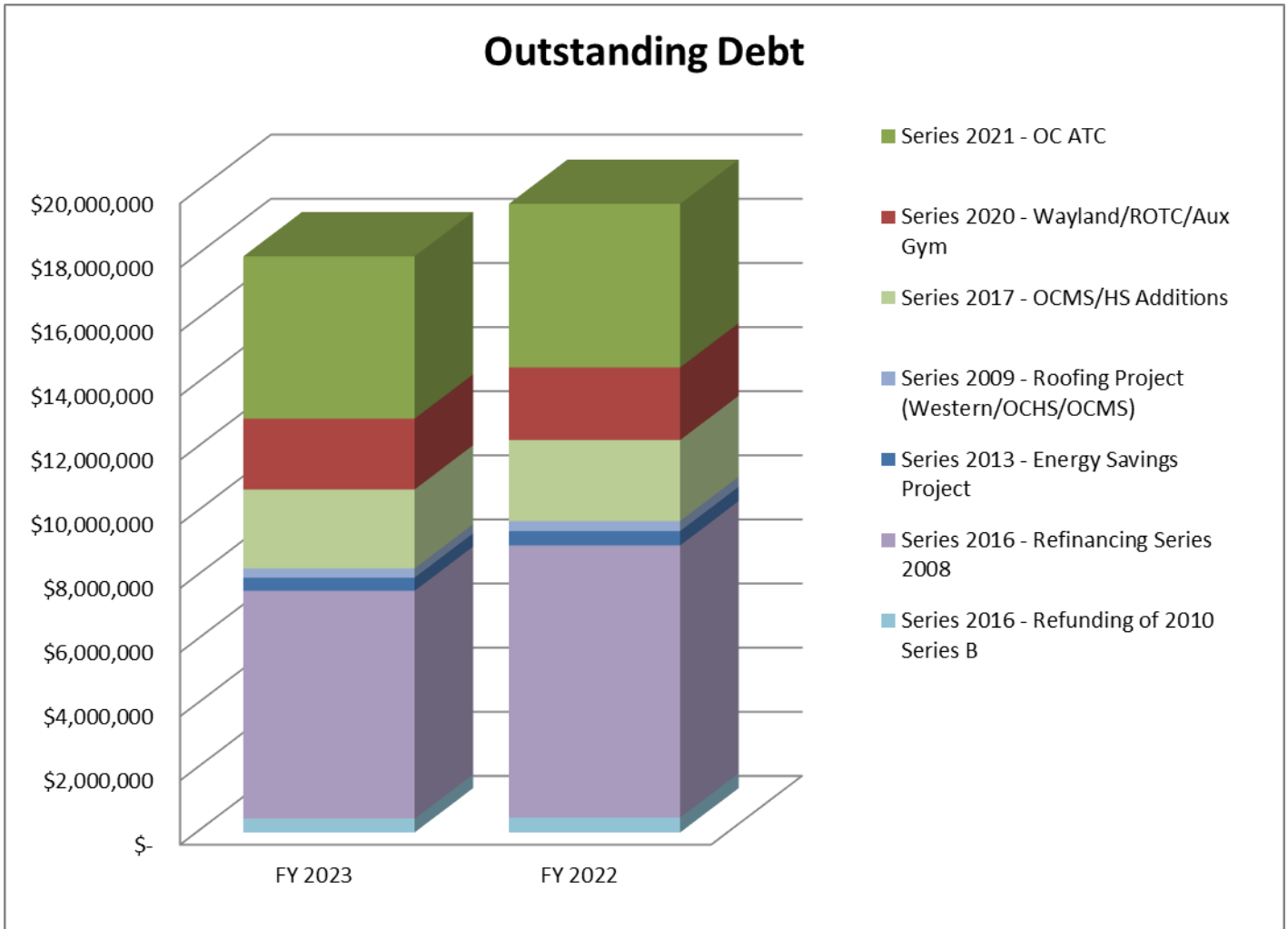
Changes in Capital Assets



School Revenue Bonds Payable

At year-end the district had \$17,967,000 in school revenue bonds outstanding. The net decrease of school revenue bonds payable was \$1,636,000.

<u>School Revenue Bonds</u>	<u>FY 2023</u>	<u>FY 2022</u>
Series 2021 - OC ATC Add/Renov	\$5,060,000	\$5,100,000
Series 2020 - Wayland Preschool & ROTC/Aux Gym	\$2,210,000	\$2,265,000
Series 2017 - OCMS/HS Additions	\$2,465,000	\$2,525,000
Series 2016 – Refinancing Series 2008	\$7,105,000	\$8,485,000
Series 2016 – Refunding of 2010 Series B	\$432,000	\$468,000
Series 2013 – Energy Savings Project	\$410,000	\$445,000
Series 2009 – Roofing Project (Western/OCHS/OCMS)	\$285,000	\$315,000
Total	\$17,967,000	\$19,603,000



BUDGETARY IMPLICATIONS

It is extremely important that the district continue to budget very conservatively. The District receives approximately 49% of its general fund revenue each year through the state funding formula (SEEK). The SEEK forecasts from the state should be considered only an estimate of state revenue. If the state does not get the revenue from taxing sources, an adjustment will be made to the funding formula. The District should always be prepared for such reductions in funding.

Approximately 12% of the general fund revenue is from local property tax. The major portion of the tax revenue does not come to the district until between the fifth and seventh months of the fiscal year. This means the general fund’s beginning fund balance must be used to absorb much of the first four months of expenditures. Provisions must always be made to have a significant beginning fund balance to start each year.

By law the budget must have a minimum 2% contingency. The District adopted a budget with \$13,691,197 in contingency (40%). The beginning fund balance for beginning the fiscal year was \$21,158,361. The ending fund balance is \$23,076,613. The District must continue to find ways to become more efficient with operational departments in an effort to provide the necessary funding to essential programs.

DISTRICT CHALLENGES FOR THE FUTURE

The primary challenges for Ohio County Public Schools are to continue to reach the academic accountability goals established by the Commonwealth of Kentucky, continue to maintain our modern facilities, and preserving the current level of financial stability.

The District's challenge to reach the academic accountability goal established by the Commonwealth of Kentucky will be accomplished by several means. The primary goal is to maintain our competitive salary schedules to help attract and maintain quality leadership, teachers and support staff. The District also needs to continue to maintain our pupil/teacher ratio at levels below the levels recommended by the state. Maintaining several programs will also help the District overcome this challenge. These programs include, but are not limited to, full day kindergarten, response to intervention (RTI), and advancement in the area of technology.

The second challenge mentioned above is to maintain our modern facilities. The current balance within the committed construction account as of June 30, 2023 is \$11,000,000. This committed account will help the District recover from any unforeseen major facility repairs, help keep the current facilities in excellent condition and construct any required facilities which do not meet the Kentucky Department of Education guidelines or not large enough to require a bond sale.

The third challenge mentioned above is preserving the current level of financial stability. The district receives 49% of the general fund revenues from the State of Kentucky through the SEEK formula. The impact of high inflation, supply chain shortages, delivery delays, and labor shortages all hinder financial strength of the school district and our ability to consistently deliver instructional services to our greatest potential. The financial condition of both the nation and state will always be vital to maintaining our financial stability.

Questions regarding this report should be directed to Mrs. Kathy Meredith, Chief Financial Officer, located at 315 East Union Street, Hartford, KY 42347, by phone at 270.298.3249 or e-mail at kathy.meredith@ohio.kyschools.us.

Ohio County School District
Statement of Net Position

<i>June 30, 2023</i>	Governmental Activities	Business- Type Activities	Total
Assets			
Cash	\$ 23,308,938	\$ 3,710,164	\$ 27,019,102
Investments	1,940,231	-	1,940,231
Accounts receivable:			
Taxes	331,032	-	331,032
Accounts	128,251	4,632	132,883
Intergovernmental	1,625,132	186,099	1,811,231
Inventory	161,458	103,900	265,358
Prepaid expenses	24,911	7,319	32,230
Non-depreciable capital assets	10,581,119	-	10,581,119
Depreciable capital assets	89,150,258	1,550,798	90,701,056
Less: accumulated depreciation	(50,924,114)	(1,095,121)	(52,019,235)
Total assets	76,327,216	4,467,791	80,795,007
Deferred Outflows of Resources			
OPEB related	6,714,835	366,428	7,081,263
Pension related	4,552,900	696,689	5,249,589
Total deferred outflows of resources	11,267,735	1,063,117	12,330,852
Liabilities			
Accounts payable	1,048,518	14,828	1,063,346
Accrued liabilities	180,716	-	180,716
Unearned revenue	113,815	-	113,815
Accrued interest	85,225	-	85,225
Long-term obligations:			
Due within one year:			
Outstanding bonds	1,666,000	-	1,666,000
Compensated absences	107,869	-	107,869
Due beyond one year:			
Outstanding bonds	16,443,048	-	16,443,048
Compensated absences	981,940	-	981,940
Net OPEB liability	11,764,544	615,923	12,380,467
Net pension liability	14,735,919	2,254,648	16,990,567
Total liabilities	47,127,594	2,885,399	50,012,993

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

Ohio County School District
Statement of Net Position

<i>June 30, 2023</i>	Governmental Activities	Business- Type Activities	Total
Deferred Inflows of Resources			
OPEB related	6,072,736	334,884	6,407,620
Pension related	1,877,859	287,319	2,165,178
Total deferred inflows of resources	7,950,595	622,203	8,572,798
Net Position			
Net investment in capital assets	30,698,215	455,677	31,153,892
Restricted for:			
Grant programs	39,011	-	39,011
Capital projects	2,802,734	-	2,802,734
Student activities	112,788	-	112,788
Unrestricted (deficit)	(1,135,986)	1,567,629	431,643
Total net position	\$ 32,516,762	\$ 2,023,306	\$ 34,540,068

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

Ohio County School District
Statement of Activities

<i>For the year ended June 30, 2023</i>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 23,469,733	\$ 26,825	\$ 6,415,208	\$ 79,893	\$ (16,947,807)	\$ -	\$ (16,947,807)
Support Services:							
Student	2,021,848	-	453,304	-	(1,568,544)	-	(1,568,544)
Instructional staff	1,800,187	-	428,773	-	(1,371,414)	-	(1,371,414)
District administration	681,379	-	1,130	-	(680,249)	-	(680,249)
School administration	2,644,134	-	18,398	-	(2,625,736)	-	(2,625,736)
Business	1,782,135	-	443,696	-	(1,338,439)	-	(1,338,439)
Plant operations and maintenance	4,736,201	-	200,970	-	(4,535,231)	-	(4,535,231)
Student transportation	3,826,105	-	293,897	-	(3,532,208)	-	(3,532,208)
Other	669,728	-	553,295	-	(116,433)	-	(116,433)
Food service operations	47,994	-	29,169	-	(18,825)	-	(18,825)
Day care operations	86,415	-	86,415	-	-	-	-
Interest on long-term debt	452,948	-	-	2,044,757	1,591,809	-	1,591,809
Loss on disposal of assets	40,059	-	-	-	(40,059)	-	(40,059)
Total governmental activities	42,258,866	26,825	8,924,255	2,124,650	(31,183,136)	-	(31,183,136)
Business-Type Activities:							
Food services	3,839,965	115,100	4,027,967	-	-	303,102	303,102
Other	49,461	83,123	38,012	-	-	71,674	71,674
Total business-type activities	3,889,426	198,223	4,065,979	-	-	374,776	374,776
Total school district	\$ 46,148,292	\$ 225,048	\$ 12,990,234	\$ 2,124,650	(31,183,136)	374,776	(30,808,360)

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

Ohio County School District
Statement of Activities

<i>For the year ended June 30, 2023</i>	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes:			
Property	5,425,696	-	5,425,696
Motor vehicle	1,155,555	-	1,155,555
Utilities	1,626,193	-	1,626,193
Unmined minerals	22,290	-	22,290
Other	70,624	-	70,624
State aid	26,837,107	-	26,837,107
Investment earnings	1,055,419	139,581	1,195,000
Other	1,089,833	-	1,089,833
Transfers	166,047	(166,047)	-
Total general revenues and transfers	37,448,764	(26,466)	37,422,298
Change in net position	6,265,628	348,310	6,613,938
Net position - beginning of year	26,251,134	1,674,996	27,926,130
Net position - end of year	\$ 32,516,762	\$ 2,023,306	\$ 34,540,068

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

Ohio County School District
Balance Sheet
Governmental Funds

<i>June 30, 2023</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 19,163,151	\$ 152,434	\$ 3,200,181	\$ 793,172	\$ 23,308,938
Investments	1,940,231	-	-	-	1,940,231
Accounts receivable:					
Taxes	331,032	-	-	-	331,032
Accounts	128,251	-	-	-	128,251
Intergovernmental	-	1,625,132	-	-	1,625,132
Due from other funds	1,600,000	-	-	-	1,600,000
Inventory	161,458	-	-	-	161,458
Prepaid expenses	24,911	-	-	-	24,911
Total assets	\$ 23,349,034	\$ 1,777,566	\$ 3,200,181	\$ 793,172	\$ 29,119,953

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

Ohio County School District
Balance Sheet
Governmental Funds

<i>June 30, 2023</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 91,705	\$ 24,990	\$ 927,863	\$ 3,960	\$ 1,048,518
Accrued liabilities	180,716	-	-	-	180,716
Due to other funds	-	1,600,000	-	-	1,600,000
Unearned revenue	-	113,565	-	250	113,815
Total liabilities	272,421	1,738,555	927,863	4,210	2,943,049
Fund Balances					
Nonspendable	186,369	-	-	-	186,369
Restricted	14,761	39,011	2,272,318	628,443	2,954,533
Committed	11,100,000	-	-	-	11,100,000
Assigned	774,857	-	-	160,519	935,376
Unassigned	11,000,626	-	-	-	11,000,626
Total fund balances	23,076,613	39,011	2,272,318	788,962	26,176,904
Total liabilities and fund balances	\$ 23,349,034	\$ 1,777,566	\$ 3,200,181	\$ 793,172	\$ 29,119,953

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

Ohio County School District
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position

<i>June 30,</i>	2023
Total fund balances – governmental funds	\$ 26,176,904
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$99,731,377 and the accumulated depreciation is \$50,924,114.</p>	48,807,263
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements.</p>	2,675,041
<p>Deferred outflows and inflows of resources related to OPEB are applicable to future periods, therefore, are not reported in the fund statements.</p>	642,099
<p>Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:</p>	
Bonds payable	(18,109,048)
Accrued interest on outstanding bonds	(85,225)
Compensated absences	(1,089,809)
Net OPEB liability	(11,764,544)
Net pension liability	(14,735,919)
Total net position – governmental activities	\$ 32,516,762

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

Ohio County School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

<i>For the year ended June 30, 2023</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
From local sources:					
Taxes:					
Property	\$ 4,817,513	\$ -	\$ -	\$ 608,183	\$ 5,425,696
Motor vehicle	1,155,555	-	-	-	1,155,555
Utilities	1,626,193	-	-	-	1,626,193
Unmined minerals	22,290	-	-	-	22,290
Other	70,624	-	-	-	70,624
Tuition and fees	26,825	4,886	-	-	31,711
Earnings on investments	1,050,718	5,339	-	4,701	1,060,758
Other local revenue	284,606	388,401	-	460,552	1,133,559
Intergovernmental - state	30,850,776	1,818,570	-	2,044,757	34,714,103
Direct federal	353,840	-	-	-	353,840
Intergovernmental - federal	-	6,786,952	-	-	6,786,952
Total revenues	40,258,940	9,004,148	-	3,118,193	52,381,281
Expenditures					
Current:					
Instruction	18,922,995	6,530,153	-	696,867	26,150,015
Support services:					
Student	1,810,448	453,304	-	-	2,263,752
Instructional staff	1,469,769	428,773	-	68,922	1,967,464
District administration	698,473	1,130	-	-	699,603
School administration	2,706,611	18,398	-	-	2,725,009
Business	1,423,879	443,696	-	-	1,867,575
Plant operations and maintenance	4,107,758	200,970	-	-	4,308,728
Student transportation	3,748,159	293,897	-	116,385	4,158,441

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

Ohio County School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

<i>For the year ended June 30, 2023</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Other	144,021	553,295	-	-	697,316
Debt service:					
Principal	-	-	-	1,636,000	1,636,000
Interest	-	-	-	481,427	481,427
Food service operations	-	29,169	-	-	29,169
Architectural and engineering	-	-	14,326	-	14,326
Land improvements	-	-	1,528,806	-	1,528,806
Building acquisition & construction	-	-	455,214	-	455,214
Building improvements	-	-	59,093	-	59,093
Day care operations	-	86,415	-	-	86,415
Total expenditures	35,032,113	9,039,200	2,057,439	2,999,601	49,128,353
Excess (deficiency) of revenues over expenditures	5,226,827	(35,052)	(2,057,439)	118,592	3,252,928
Other Financing Sources (Uses)					
Operating transfers-in	667,654	79,892	3,438,924	2,231,398	6,417,868
Operating transfers-out	(3,976,229)	(121,005)	(67,292)	(2,087,295)	(6,251,821)
Total other financing sources (uses)	(3,308,575)	(41,113)	3,371,632	144,103	166,047
Net change in fund balances	1,918,252	(76,165)	1,314,193	262,695	3,418,975
Fund balances - beginning of year	21,158,361	115,176	958,125	526,267	22,757,929
Fund balances - end of year	\$ 23,076,613	\$ 39,011	\$ 2,272,318	\$ 788,962	\$ 26,176,904

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

Ohio County School District
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities

<i>Year Ended June 30,</i>	2023
Total net change in fund balances – governmental funds	\$ 3,418,975
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, \$3,437,318, exceeds depreciation, \$2,060,040, in the period.	1,377,278
Gains and losses are not presented in governmental funds because they do not provide or use current financial resources. However, they are presented on the statement of activities, net of \$9,165 in proceeds, which are included on the fund statements. The difference between proceeds from the sale of assets and the actual gain/loss from the sale net to this amount for the year.	(49,224)
Repayment of bond principal and other debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,636,000
Government funds report District pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.	
District pension contributions	1,188,363
Cost of benefits earned net of employee contributions	(1,374,488)
Government funds report District OPEB contributions as expenditures. However, in the Statement of Activities the cost of OPEB benefits earned net of employee contributions is reported as pension expense.	
District OPEB contributions	548,818
Cost of benefits earned net of employee contributions	(505,808)
Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the statement of activities are recognized when they are incurred.	25,714
Change in net position - governmental activities	\$ 6,265,628

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

Ohio County School District
Statement of Net Position
Proprietary Funds

<i>June 30, 2023</i>	Enterprise Fund Food Service	Other Nonmajor Enterprise Funds	Total
Assets			
Current Assets			
Cash	\$ 3,604,341	\$ 105,823	\$ 3,710,164
Accounts receivable:			
Accounts	-	4,632	4,632
Intergovernmental	186,099	-	186,099
Inventory	103,900	-	103,900
Prepaid expenses	7,319	-	7,319
Total current assets	3,901,659	110,455	4,012,114
Non-Current Assets			
Fixed assets - net	455,677	-	455,677
Total assets	4,357,336	110,455	4,467,791
Deferred Outflows of Resources			
OPEB related	366,428	-	366,428
Pension related	696,689	-	696,689
Total deferred outflows of resources	1,063,117	-	1,063,117
Liabilities			
Current Liabilities			
Accounts payable	14,828	-	14,828
Total current liabilities	14,828	-	14,828
Long-Term Liabilities			
Net OPEB liability	615,923	-	615,923
Net pension liability	2,254,648	-	2,254,648
Total long-term liabilities	2,870,571	-	2,870,571
Deferred Inflows of Resources			
OPEB related	334,884	-	334,884
Pension related	287,319	-	287,319
Total deferred inflows of resources	622,203	-	622,203
Net Position			
Net investment in capital assets	455,677	-	455,677
Unrestricted	1,457,174	110,455	1,567,629
Total net position	\$ 1,912,851	\$ 110,455	\$ 2,023,306

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

Ohio County School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

<i>For the year ended June 30, 2023</i>	Enterprise Fund Food Service	Other Nonmajor Enterprise Funds	Total
Operating Revenues			
Lunchroom sales	\$ 115,100	\$ -	\$ 115,100
Tuition and fees	-	83,123	83,123
Total operating revenues	115,100	83,123	198,223
Operating Expenses			
Instruction	-	6,147	6,147
Salaries and wages	1,890,492	-	1,890,492
Contract services	35,397	-	35,397
Materials and supplies	1,848,310	-	1,848,310
Other operating expenses	26,485	43,314	69,799
Depreciation expense	39,281	-	39,281
Total operating expenses	3,839,965	49,461	3,889,426
Operating (loss) income	(3,724,865)	33,662	(3,691,203)
Non-Operating Revenues (Expenses)			
State grants	405,568	38,012	443,580
Federal grants	3,501,134	-	3,501,134
Donated commodities	121,265	-	121,265
Interest revenue	139,581	-	139,581
Other (expense) revenue	-	-	-
Total non-operating revenues - net	4,167,548	38,012	4,205,560
Income before transfers	442,683	71,674	514,357
Transfers	(166,047)	-	(166,047)
Change in net position	276,636	71,674	348,310
Net position - beginning of year	1,636,215	38,781	1,674,996
Net position - end of year	\$ 1,912,851	\$ 110,455	\$ 2,023,306

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

Ohio County School District
Statement of Cash Flows
Proprietary Funds

<i>Year Ended June 30, 2023</i>	Enterprise Fund Food Service	Other Nonmajor Enterprise Funds	Total
Operating Activities			
Cash received from user charges	\$ 115,100	\$ 85,512	\$ 200,612
Cash payments to employees for services	(1,037,667)	-	(1,037,667)
Cash payments for contract services	(35,397)	-	(35,397)
Cash payments to suppliers for goods and services	(1,712,734)	-	(1,712,734)
Cash payments for other operating expenses	(26,485)	(11,449)	(37,934)
Net cash (used in) provided by operating activities	(2,697,183)	74,063	(2,623,120)
Non-Capital Financing Activities			
Indirect cost transfer to general fund	(166,047)	-	(166,047)
Non-operating grants received	3,731,855	-	3,731,855
Other	-	-	-
Net cash provided by non-capital financing activities	3,565,808	-	3,565,808
Capital and Related Financing Activities			
Acquisition of capital assets	(334,130)	-	(334,130)
Net cash used in capital and related financing activities	(334,130)	-	(334,130)
Investing Activities			
Interest on investments	139,581	-	139,581
Net cash provided by investing activities	139,581	-	139,581
Net increase in cash	674,076	74,063	748,139
Cash - beginning of year	2,930,265	31,760	2,962,025
Cash - end of year	\$ 3,604,341	\$ 105,823	\$ 3,710,164

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

Ohio County School District
Statement of Cash Flows
Proprietary Funds

<i>Year Ended June 30, 2023</i>	Enterprise Fund Food Service	Other Nonmajor Enterprise Funds	Total
Reconciliation of Operating (Loss) Income to Net Cash Used In Operating Activities			
Operating (loss) income	\$ (3,724,865)	\$ 33,662	\$ (3,691,203)
Adjustments To Reconcile Operating (Loss) Income To Net Cash Used In Operating Activities:			
Depreciation	39,281	-	39,281
Commodities used	121,265	-	121,265
On-behalf payments received	383,005	38,012	421,017
Pension contributions in excess of pension expense	324,892	-	324,892
OPEB contributions in excess of OPEB expense	144,928	-	144,928
Changes in assets and liabilities:			
Receivables	-	2,389	2,389
Inventories	35,244	-	35,244
Prepaid expenses	173	-	173
Accounts payable	(21,106)	-	(21,106)
Net cash (used in) provided by operating activities	\$ (2,697,183)	\$ 74,063	\$ (2,623,120)

Noncash Activities

- The food service fund received \$121,265 of donated commodities from the federal government.
- The District received on-behalf payments of \$421,017 relating to insurance benefits in the food service fund and school aged child care fund.
- The District reclassified \$181,903 related to pension expense to deferred outflows of resources.
- The District reclassified \$26,452 related to OPEB expense to deferred outflows of resources.

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

Ohio County School District
Statement of Fiduciary Net Position
Fiduciary Funds

<i>June 30, 2023</i>	Private Purpose Trust Fund
<hr/>	
Assets	
Cash	\$ 45,155
Investments	3,904,916
Accounts receivable	1,273
<hr/>	
Total assets	3,951,344
<hr/>	
Liabilities	
Accounts payable	45,549
<hr/>	
Total liabilities	45,549
<hr/>	
Net Position	
Held in trust for scholarships	3,905,795
<hr/>	
Net position	\$ 3,905,795
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The accompanying notes are an integral part of these financial statements.

Ohio County School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

<i>For the year ended June 30, 2023</i>	Private Purpose Trust Funds
<hr/>	
Additions	
Earnings on investments	\$ 142,585
<hr/>	
Total additions	142,585
<hr/>	
Deductions	
Scholarships	85,627
Unrealized losses from investments	135,845
Other	53,410
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Total deductions	274,882
<hr/>	
Change in net position	(132,297)
<hr/>	
Net position - beginning of year	4,038,092
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Net position - end of year	\$ 3,905,795
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The accompanying notes are an integral part of these financial statements.

Ohio County School District
Notes to the Financial Statements

NOTE 1: DESCRIPTION OF THE ENTITY

Reporting Entity

The Ohio County Board of Education (the "Board"), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Ohio County School District (the "District"). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, as 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 relevant to the operation of the Ohio County School District. The financial statements presented herein do not include funds of groups and organizations which, although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc., except those funds administered as custodial funds.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. The criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units.

Blended Component Unit

Based on the foregoing criteria, the financial statements of the following organization is included in the accompanying financial statements as a blended component unit:

Ohio County School District Finance Corporation — The Ohio County Board of Education resolved to authorize the establishment of the Ohio County School District Finance Corporation (a nonprofit, nonstock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Ohio County Board of Education also comprise the Corporation's Board of Directors.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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 District, except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the 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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements — Fund financial statements report detailed information about the District's funds, including fiduciary funds. Separate statements for each fund category — governmental, proprietary and fiduciary — are presented. The focus of governmental and proprietary 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 District has the following funds:

Governmental Fund Types

The *General Fund* is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unassigned fund balances are considered as resources available for use. The general fund is a major fund.

Ohio County School District
Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The *Special Revenue Fund* accounts for proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the schedule of expenditures of federal awards. The special revenue fund is a major fund.

The *Special Revenue District Activity Fund* is used to account for proceeds collected by the District's individual schools which are not raised by students or parents and are swept to the District's finance office and contains transfers from the District's general fund. Funds can be spent on operating expenses as directed by the District's schools.

The *Special Revenue Student Activity Fund* is used to account for student activity funds of the District's individual schools. The student funds are maintained in accordance with the Uniform Program of Accounting for School Activity Funds, which is performed by the District.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

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 and certain operating costs.

The *Facility Support Program of Kentucky (FSPK) Fund* 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 are restricted for use in financing projects identified in the District's facility plan.

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

The *Debt Service Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and other debt related costs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Proprietary Fund Types

Enterprise Fund

The *Food Service Fund* is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contributions of commodities from the USDA. The food service fund is a major fund.

The *School Aged Child Care Fund* is used to account for after school care services offered to the general public.

The *Fordsville Education Program Fund* is used to account for the after school tutoring program.

The *Ohio County Schools Auditorium Fund* is used to account for the funds donated in order to construct a school auditorium once adequate funds are received. The general public will have access to the auditorium. The Board voted to table this project before construction and fundraising began.

Fiduciary Fund Types (includes custodial funds and private purpose trust funds)

Fiduciary funds account for assets held by the District in a trustee's capacity or in a custodial capacity for others that cannot be used to support the District's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private purpose trust funds.

The *Private Purpose Trust Fund* is used to report trust arrangements under which principal and income benefit individuals.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

and fiduciary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This approach differs from the manner in which the government-wide financial statements are prepared. The 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. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance. On this basis of accounting, revenues are recognized when they become measurable and available as assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is interest on general long-term debt and compensated absences along with claims and judgments, which is recognized as an expenditure when paid. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The records of the District and the budgetary process are based on the modified accrual basis of accounting. This practice is the accounting method prescribed by the Committee for School District Audits. The District is required by state law to adopt annual budgets for the general fund, special revenue fund and capital projects fund.

Budgetary Information

Budget information is presented for the General Fund and other funds with a Board approved budget. This budgetary data is prepared on the modified accrual basis of accounting. Budgetary revenues represent original estimates modified for any adjustments approved by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for transfers and additional appropriations approved during the fiscal year. Once the budget is approved, it can be amended by approval of the Board.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates (Continued)

Estimates that are particularly susceptible to significant change in the near future are related to investments, pension liability, OPEB liability and compensated absences.

Investments

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

Inventory

Supplies and materials are charged to expenditures when purchased (purchases method) with the exception of the proprietary funds and transportation supplies in the General Fund, which record inventory at the lower of cost, determined by first-in first-out ("FIFO") method, or net realizable value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000 with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Ohio County School District
Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Description	Estimated Lives
Buildings and improvements	25–50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5–10 years
Audio-visual equipment	15 years
Food service equipment	10–12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other	10 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Outflows of Resources – Debt Related

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The deferred outflows of resources reported in this year’s financial statements include the deferred amount arising from the refunding of bonds. The amount by which the reacquisition price of the refunding debt exceeds the carrying amount of the refunded debt is being amortized over the remaining life of the refunding bonds as part of interest expense. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – Pension Related

The District’s statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to pension which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District’s contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost-sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources – Pension Related (Continued)

recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – OPEB Related

The District's statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to OPEB which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District proportionate share of pension amounts were further allocated to each participating employer based on the contributions paid by each employer. Pension investments are reported at fair value. Note 8 provides further detail on the net pension liability.

Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. OPEB 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. Note 9 provides further detail on the net OPEB liability.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Post-Employment Health Care Benefits

Retired District employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and KTRS plans.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Compensated Absences

The District uses the vesting method to compute compensated absences for sick leave. Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits at termination. The District records a liability for accumulated unused sick leave when earned for all employees with more than five years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the funds from which the employees will be paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Net Position

The District classifies its net position into the following three categories:

Net investment in capital assets - This represents the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Ohio County School District
Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes collected are recorded as revenues in the fund for which they were levied. The assessment date of the property taxes is January 1 of each year. The levy is normally set during the September board meeting. Assuming property tax bills are timely mailed, the collection date is the period from September 15 through December 31. Collections from the period September 15 through November 1 receive a two percent discount. The due date is the period from November 2 through December 31 in which no discount is allowed. Property taxes received subsequent to December 31 are considered to be delinquent and subject to a lien being filed by the County Attorney.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions are where each party receives equal value. On the modified accrual basis of accounting, 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 60 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. Assets from property taxes are normally recognized when an enforceable legal claim arises. However, for the District, an enforceable legal claim arises after the period for which taxes are levied. Property taxes receivable are recognized in the same period that the revenues are recognized. The property taxes are normally levied in September.

On the modified accrual basis of accounting, assets and revenues from property taxes are 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. Revenues from nonexchange transactions must also be available before they can be recognized.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Balances

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Note 7 provides further detail on the District's encumbrances.

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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Subsequent Events

The District has evaluated subsequent events through the date that the financial statements were available to be issued November 13, 2023. See Note 16 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

Recent Issued and Adopted Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a

Ohio County School District
Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Issued and Adopted Accounting Pronouncements (Continued)

SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87 *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The implementation of this standard was not significant to the District.

Recent Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Ohio County School District
Notes to the Financial Statements

NOTE 3: CASH AND INVESTMENTS

Deposits

At June 30, 2023, the carrying amounts of the District's cash in deposits were \$27,064,257 and the bank balances were \$29,854,922, which were covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

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

<i>June 30,</i>	<i>2023</i>
Governmental funds	\$ 23,308,938
Proprietary fund	3,710,164
Fiduciary funds	45,155
	\$ 27,064,257

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. The District does not have a formal deposit policy for custodial credit risk. However, the District is required by state statute that bank deposits must be collateralized. The District's bank balance of \$29,854,922 was not exposed to custodial credit risk as of June 30, 2023.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principal. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2023:

General Fund	Fair Value Measurements at Reporting Date Using			
Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>June 30, 2023</i>				
Money market accounts	\$ 5,415	\$ 5,415	\$ -	\$ -
Tax exempt municipal securities	48,831	-	48,831	-
Taxable municipal securities	1,832,236	-	1,832,236	-
U.S government securities	53,749	-	53,749	-
	\$ 1,940,231	\$ 5,415	\$ 1,934,816	\$ -

Ohio County School District
Notes to the Financial Statements

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

June 30, 2023

General Fund Investments	Rating	Maturities	Fair Value
Money market accounts	NR	On Demand	\$ 5,415
Warren County KY School District	A1	10/1/2033	48,831
U.S. government securities	NR	12/25/2031 - 8/15/2046	53,749
University of KY Genl Rcpts	AA+	10/1/2024	297,069
Taxable municipal securities	A1	5/1/2027 - 5/1/2035	1,267,848
Kentucky Assn Cnty Fin Corp Fing	AA-	2/1/2028	96,575
Kentucky Rural WTR Fin Cop Pub	AA-	2/1/2034	155,620
Kentucky HSG Corp	AAA	7/1/2037	15,124
			\$ 1,940,231

Private Purpose Trust Funds		Fair Value Measurements at Reporting Date Using		
Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>June 30, 2023</i>				
Money market accounts	\$ 412,065	\$ 412,065	\$ -	\$ -
Tax exempt municipal securities	1,354,468	-	1,354,468	-
Taxable municipal securities	1,056,998	-	1,056,998	-
U.S government securities	1,080,100	-	1,080,100	-
Stocks	1,285	1,285	-	-
	\$ 3,904,916	\$ 413,350	\$ 3,491,566	\$ -

June 30, 2023

Private Purpose Trust Funds Investments	Rating	Maturities	Fair Value
Money market accounts	NR	On Demand	\$ 412,065
U.S. government securities	NR	10/15/2023 - 4/16/2045	512,454
Fedl Natl Mgt Assn	Aaa	7/25/2023 - 11/25/2046	567,646
Tax exempt municipal securities	A1	9/1/2028 - 8/1/2047	1,172,605
Tax exempt municipal securities	AA-	2/1/2029 - 2/1/2040	65,099
Kentucky Rural Wtr Fin Corp Pub Pj Rev	A+	2/1/2034	116,715
Tax exempt municipal securities	AA	12/1/2040 - 7/1/2041	39,966
Tax exempt municipal securities	Aa2	4/1/2044	59,596
Tax exempt municipal securities	Aa3	5/15/2038	17,202
Taxable municipal securities	Ba1	5/1/2036	21,506
Taxable municipal securities	A1	6/1/2028 - 2/1/2036	373,993
Taxable municipal securities	AA-	2/1/2028 - 2/1/2034	313,759
Taxable municipal securities	AA	5/1/2027 - 5/1/2035	28,440
Taxable municipal securities	Aa3	7/1/2032	202,585
Fith Third Bancorp (Stock)	NR	n/a	1,285
			\$ 3,904,916

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The District and trust agreements does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

Under trust agreements, the District is authorized to invest in income producing assets which are insured by either the federal or any state government, or instrumentalities thereof, or in items known as "investment grade securities." Prior to the death of the settler, the assets are required to be such items that will produce income free and clear of federal and Kentucky income taxes. After the death of the settler, the investments are limited only to prevailing state statutes.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's General Fund investments are in University of KY GENL RCPTS, taxable municipal securities, and Kentucky Rural WTR Fin Corp Pub. These investments are 15.31%, 65.34%, and 8.02% respectively, of the District's total General Fund investments. The trust agreements place no limit on the amount the District may invest in any one issuer. More than five percent of the District's Private Purpose Trust fund investments are in tax exempt municipal securities, cash money market accounts, taxable municipal securities and U.S. government securities. These investments are 34.68%, 10.55%, 27.06% and 27.66% respectively, of the District's total Private Purpose Trust fund investments.

Risks and Uncertainties

The District and the private purpose trust funds hold investment securities. Investment securities are exposed to various risks, such as interest rate, credit and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account balances and the amounts reported in the financial statements.

Ohio County School District
Notes to the Financial Statements

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consist of the following:

<i>June 30, 2023</i>		
Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	\$ 1,600,000

The amount represents interfund loans between the general fund and special revenue fund that are necessary to fulfill the current cash requirements of the special revenue fund.

NOTE 5: CAPITAL ASSETS

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

<i>June 30, 2023</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 456,873	\$ -	\$ -	\$ 456,873
Construction in progress	9,491,412	2,057,439	1,424,605	10,124,246
Total non-depreciable historical cost	9,948,285	2,057,439	1,424,605	10,581,119
Capital assets that are depreciated:				
Land improvements	2,787,960	-	-	2,787,960
Buildings and improvements	73,947,870	1,424,605	94,900	75,277,575
Technology equipment	1,602,909	162,484	151,052	1,614,341
Vehicles	5,329,573	945,668	-	6,275,241
General	2,976,476	271,727	53,062	3,195,141
Total depreciable historical cost	86,644,788	2,804,484	299,014	89,150,258
Less accumulated depreciation for:				
Land improvements	2,117,322	80,600	-	2,197,922
Buildings and improvements	39,220,971	1,433,362	45,676	40,608,657
Technology equipment	1,428,720	103,068	151,052	1,380,736
Vehicles	3,965,664	353,861	-	4,319,525
General	2,381,187	89,149	53,062	2,417,274
Total accumulated depreciation	49,113,864	2,060,040	249,790	50,924,114
Total depreciable historical cost, net	37,530,924	744,444	49,224	38,226,144
Governmental activities, capital assets, net	\$ 47,479,209	\$ 2,801,883	\$ 1,473,829	\$ 48,807,263

Ohio County School District
Notes to the Financial Statements

NOTE 5: CAPITAL ASSETS (CONTINUED)

<i>June 30, 2023</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Business-Type Activities:				
Technology equipment	\$ 3,693	\$ -	\$ -	\$ 3,693
General	1,283,276	334,130	70,301	1,547,105
<hr/>				
Total depreciable historical cost	1,286,969	334,130	70,301	1,550,798
<hr/>				
Less accumulated depreciation for:				
Technology equipment	3,693	-	-	3,693
General	1,122,448	39,281	70,301	1,091,428
<hr/>				
Total accumulated depreciation	1,126,141	39,281	70,301	1,095,121
<hr/>				
Total depreciable historical cost, net	160,828	294,849	-	455,677
<hr/>				
Business-type activities, capital assets, net	\$ 160,828	\$ 294,849	\$ -	\$ 455,677

Depreciation expense was charged to governmental functions as follows:

<i>Year ended June 30,</i>	<i>2023</i>
Instruction	\$ 1,539,396
Support services:	
Instructional staff	-
District administration	19,698
School administration	8,241
Business	1,604
Facilities operations	352,773
Student transportation	138,328
<hr/>	
Total depreciation expense	\$ 2,060,040

Ohio County School District
Notes to the Financial Statements

NOTE 6: LONG-TERM OBLIGATIONS

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

Issue Date	Proceeds	Rates
2009	\$ 565,000	3.875%
2013	750,000	2.760%
2016	9,045,000	1.000% - 3.000%
2016(B)	717,000	1.400% - 3.000%
2017	2,820,000	2.000% - 3.550%
2020	2,335,000	1.000% - 1.700%
2021	5,135,000	1.000% - 2.000%

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

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

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

Ohio County School District
Notes to the Financial Statements

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Year	Ohio County School District		School Facility Construction Commission		Total Debt Service
	Principal	Interest	Principal	Interest	
2023-2024	\$ 1,397,240	\$ 377,192	\$ 268,760	\$ 71,125	\$ 2,114,317
2024-2025	1,430,767	342,770	275,233	64,652	2,113,422
2025-2026	1,472,471	300,905	282,529	57,356	2,113,261
2026-2027	1,519,719	257,646	290,281	49,602	2,117,248
2027-2028	1,561,646	211,123	298,354	39,370	2,110,493
2028-2029	551,745	168,689	158,255	33,221	911,910
2029-2030	565,744	156,631	149,256	29,117	900,748
2030-2031	576,803	144,351	143,197	25,547	889,898
2031-2032	590,095	131,731	114,905	22,462	859,193
2032-2033	602,174	118,173	117,826	19,542	857,715
2033-2034	569,159	104,384	120,841	16,527	810,911
2034-2035	581,012	91,480	123,988	13,382	809,862
2035-2036	597,489	77,681	127,511	9,856	812,537
2036-2037	608,830	63,468	131,170	6,197	809,665
2037-2038	621,730	48,856	43,270	2,409	716,265
2038-2039	636,076	36,935	43,924	1,755	718,690
2039-2040	650,384	24,621	44,616	1,063	720,684
2040-2041	658,785	11,982	41,215	350	712,332
	<u>\$ 15,191,869</u>	<u>\$ 2,668,618</u>	<u>\$ 2,775,131</u>	<u>\$ 463,533</u>	<u>\$ 21,099,151</u>

Ohio County School District
Notes to the Financial Statements

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations are as follows:

<i>June 30, 2023</i>	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
Bonds	\$ 19,603,000	\$ -	\$ (1,636,000)	\$ 17,967,000	\$ 1,666,000
Add: deferred issuance discounts and premiums - net	164,625	-	(22,577)	142,048	-
Total bonds and notes payable	19,767,625	-	(1,658,577)	18,109,048	1,666,000
Other liabilities:					
Compensated absences	1,087,044	89,949	(87,184)	1,089,809	107,869
Total other liabilities	1,087,044	89,949	(87,184)	1,089,809	107,869
Total long-term liabilities	\$ 20,854,669	\$ 89,949	\$ (1,745,761)	\$ 19,198,857	\$ 1,773,869

NOTE 7: FUND BALANCES

The Board follows GASB Statement Number 54. Under this statement, fund balance is separated into five categories, as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. At June 30, 2023, the District had \$186,369 as nonspendable in the general fund related to inventory and prepaid expenses.

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. At June 30, 2023, the District had \$14,761 restricted in the general fund for the Tech Center, \$2,272,318 restricted in the construction fund for construction projects, \$515,655 restricted for capital projects and prior year SFCC offers in the FSPK fund, \$112,788 restricted for student activities in the special revenue student activity fund and \$39,011 restricted in the special revenue fund for grant programs.

Ohio County School District
Notes to the Financial Statements

NOTE 7: FUND BALANCES (CONTINUED)

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. The District had the following commitments in the general fund at June 30, 2023: \$100,000 for sick leave and \$11,000,000 for future construction.

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The District has assigned \$203,618 for site-base carryforward and \$571,239 for encumbrances in the general fund and the special revenue district activity fund had assigned \$160,519 for operating costs of the District's schools at June 30, 2023. Assigned fund balances also include (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 and then unassigned funds. Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2023 in the governmental funds balance sheet.

NOTE 8: PENSION PLANS

Pensions

Ohio County School District participates in the Teachers' Retirement System of the State of Kentucky (KTRS), a blended component unit of the Commonwealth of Kentucky and the County Employees' Retirement System (CERS), a blended component unit of the Commonwealth of Kentucky. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the KTRS and the CERS and additions to/deductions from KTRS's and CERS's fiduciary net position have been determined on the same basis as they are reported by KTRS and CERS. 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.

NOTE 8: PENSION PLANS (CONTINUED)

General Information About the KTRS Pension Plan

Plan Description

The KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Sections 220 through 990 of the Kentucky Revised Statutes (KRS). KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS is a cost-sharing multiple-employer defined benefit plan with a special funding situation established to provide retirement, health and life insurance benefits for specified employees of local school districts and other public educational agencies in the Commonwealth.

KRS 161.250 provides that the general administration and management of KTRS, and the responsibility for its proper operation, is vested in a board of trustees. The board of trustees consists of the chief state school officer, the State Treasurer, two trustees appointed by the governor, and seven elected trustees. Four of the elected trustees are active teachers, two are not members of the teaching profession, and one is an annuitant of the retirement system.

Any regular or special teacher or professional occupying a position requiring certification or graduation from a four year college or university is eligible to participate in the system. KTRS issues a publicly available financial report that can be found on the KTRS website.

Benefits Provided

KTRS provides retirement, medical, disability, annual cost of living adjustments, and death benefits to plan members. Plan members are divided into the following three categories:

For Members Hired Before July 1, 2008:

Members become vested when they complete 5 years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

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

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

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

For Members Hired On or After July 1, 2008 and Before January 1, 2022:

Members become vested when they complete 5 years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

The annual retirement allowance for members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2.0% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3.0% of final average salary for years of credited service greater than 30 years.

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

For Members Hired On or After January 1, 2022:

To qualify for monthly retirement benefits, payable for life, members must either:

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

Foundational Benefit: The annual foundational benefit for members is equal to service times a multiplier times final average salary. The final average salary is the member's five highest annual salaries. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service.

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

The multiplier for members is shown in the following table:

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

Supplemental Benefit: The annual supplemental benefit is equal to the account balance that includes member and employer contributions and interest credited annually on June 30. Options include annuitizing the balance or receiving the balance or a portion thereof as a lump sum either at the time of retirement or at a later date.

For members who began participating prior to January 1, 2022, KTRS also provides disability benefits for vested members at the rate of 60% of the final average salary. Members who began participating on or after January 1, 2022, will receive a disability benefit to be determined by the board through administrative regulation.

A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members who began participating before January 1, 2022. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled workers.

Cost of living increases are 1.5% annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions

Contribution rates are established by Kentucky Revised Statutes. For members who began participating before January 1, 2022, KTRS members are required to contribute 12.855% of their salaries to the system. For members employed by local school districts, the State (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008 and 14.105% for those joined on or after July 1, 2008, and before January 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

NOTE 8: PENSION PLANS (CONTINUED)

Contributions (Continued)

For members who began participating on or after January 1, 2022, members contribute 14.75% of their salaries to the system. Employers of members, including the state (as a non-employer contributing entity), contribute 10.75% of salary.

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the medical and life insurance trusts.

Pension Liabilities and Pension Expense

At June 30, 2023, the amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth of Kentucky (State) 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 net pension liability	\$	-
State's proportionate share of the net pension liability associated with the District		73,285,670
Total	\$	73,285,670

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

For the year ended June 30, 2023, the District recognized pension expense of \$2,673,005 and revenue of \$2,673,005 for support provided by the State in the government wide financial statements and pension expense of \$6,686,675 and revenue of \$6,686,675 for support provided by the State in the fund statements.

Ohio County School District
Notes to the Financial Statements

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age
Investment rate of return	7.10% net of pension plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Post-retirement adjustment	1.50%
Municipal bond index rate	3.37%
Single equivalent interest rate	7.10%

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The assumed long-term investment rate of return was changed from 7.5% to 7.1% and the price inflation assumption was lowered from 3.0% to 2.5%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. Equity	37.4%	4.20%
Small cap U.S. Equity	2.6%	4.70%
Developed International Equity	16.5%	5.30%
Emerging Markets Equity	5.5%	5.40%
Fixed Income	15.0%	-0.10%
High Yield Bonds	2.0%	1.70%
Other Additional Categories	5.0%	2.20%
Real Estate	7.0%	4.00%
Private Equity	7.0%	6.90%
Cash	2.0%	-0.30%
Total	100.0%	

Discount Rate

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report.

General Information About the CERS Pension Plan

Plan Description

The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the plan. CERS is administered by the Board of Trustees of the Kentucky Retirement System. CERS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided

CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.5%. No COLA has been granted since July 1, 2011.

Tier 1 - Non-Hazardous Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 - Non-Hazardous Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% of their annual creditable compensation. Further, 1% of these contributions are deposited in an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420). These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest, however, the 1% Health Insurance contribution (HIC) to the 401(h) account is non-refundable and is forfeited.

Tier 3 - Non-Hazardous Tier 3 plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see 105 KAR 1:420), which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% in the member's monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

Ohio County School District
Notes to the Financial Statements

NOTE 8: PENSION PLANS (CONTINUED)

Contributions

Employers participating in the CERS are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.454(33), normal contribution and past service contribution rates shall be determined by the KRS Board of Trustees on the basis of the last annual valuation preceding the July 1 of a new biennium. The KRS Board of Trustees may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board of Trustees. For the fiscal year ended June 30, 2023, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the KRS Board of Trustees for the fiscal year ended June 30, 2023 was 23.40%.

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

At June 30, 2023, the District reported a liability of \$16,990,567 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2022 contributions to the pension plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was .235033%.

For the year ended June 30, 2023, the District recognized pension expense of \$1,912,165. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18,165	\$ 151,308
Net difference between projected and actual investment earnings on pension plan investments	2,311,907	1,876,331
Change of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contribution	1,549,251	137,539
District contributions subsequent to the measurement date	1,370,266	-
Total	\$ 5,249,589	\$ 2,165,178

NOTE 8: PENSION PLANS (CONTINUED)

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

\$1,370,266 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended June 30,</i>	
2023	\$ 650,952
2024	723,308
2025	(142,779)
2026	482,664
2027	-

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total pension liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022, using generally accepted actuarial principles.

There have been no changes in actuarial assumptions since June 30, 2021. The actuarial assumptions are:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for non-disabled retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

NOTE 8: PENSION PLANS (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rates of return were determined by using a building-block method in which best-estimated ranges of expected future real rates of returns are developed for each asset class. The ranges were combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	20.00%	
Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	20.00%	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.0%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

Discount Rate

The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018) over the remaining 29 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KRS plan's Annual Comprehensive Financial Report (ACFR).

NOTE 8: PENSION PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	\$ 21,236,101	\$ 16,990,567	\$ 13,479,159

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report.

Deferred Compensation Plans

The District offers its employees to defer compensation in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plans, available to all employees, permit them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Entities with little or no administrative involvement who do not perform the investing function for these plans will omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities in the financial statements.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the KTRS OPEB Plan

Plan Description

District employees, in positions requiring a four-year degree 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, health and life insurance benefits for specified employees of local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Sections 220 through 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 on the TRS website.

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 Health Insurance Trust and Life Insurance Plans. The following information is about the TRS plans:

Health Insurance Trust

Plan Description

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

Benefits Provided

To be eligible for medical benefits, the member must have retired either for service or disability and a required amount of service credit. The TRS medical plan offers coverage to members under the age of 65 and not eligible for Medicare through the Kentucky Employees Health Plan (KEHP) administered by the Kentucky Department of Employee Insurance. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan (MEHP) administered by TRS.

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Contributions

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the medical and life insurance trusts. The member postemployment medical contribution is 3.75% of salary. The employer postemployment medical contribution is 0.75% of member salaries. Also, employers (other than the state) contribute 3% of members' salaries and the state contributes the net cost of health insurance premiums for new retirees after June 30, 2010, in the non-Medicare eligible group. If a member leaves covered employment before accumulating five years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

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

At June 30, 2023, the District reported a liability of \$7,739,000 for its proportionate share of collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.311724%.

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

District's proportionate share of the net OPEB liability	\$ 7,739,000
State's proportionate share of the net OPEB liability associated with the District	2,542,000
<u>Total</u>	<u>\$ 10,281,000</u>

For the year ended June 30, 2023, the District recognized OPEB expense of (\$21,000), which included \$187,000 related to changes in proportion and differences between employer contributions and proportionate share of contributions. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,253,000
Changes of assumptions	1,572,000	-
Net difference between projected and actual earnings on OPEB plan investments	411,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,961,000	631,000
District contributions subsequent to measurement date	375,930	-
Total	\$ 4,319,930	\$ 3,884,000

Of the total amount reported as deferred outflows of resources related to OPEB, \$375,930 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30,</u>	
2023	\$ (300,000)
2024	(225,000)
2025	(154,000)
2026	335,000
2027	261,000
Thereafter	143,000

Actuarial Assumptions

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

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions (Continued)

Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Projected Salary Increases	3.00% - 7.50%, including wage inflation
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Municipal Bond Index Rate	3.37%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation
Discount Rate	7.10%
Healthcare Cost Trends:	
KEHP group	7.00% for FYE 2022 decreasing to an ultimate rate of 4.50% by FYE 2032
MEHP group	5.125% for FYE 2022 decreasing to an ultimate rate of 4.50% by FYE 2025
Medicare Part B Premiums	6.97% for FYE 2022 with an ultimate rate of 4.50% by 2034

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees and active members.

The demographic actuarial assumptions for retirement disability, incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2021 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation. The healthcare cost trend rate assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll forward while the change in initial per capita claims costs were included with the experience in the TOL roll forward. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global Equity	58.00%	5.10%
Fixed Income	9.00%	-0.10%
Real Estate	6.50%	4.00%
Private Equity	8.50%	6.90%
Additional Categories: High Yield	8.00%	1.70%
Other Additional Categories	9.00%	2.20%
Cash	1.00%	-0.30%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate 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.

Sensitivity of the District’s Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the 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 a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current discount rate:

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate (Continued)

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the collective net OPEB liability	\$ 9,709,000	\$ 7,739,000	\$ 6,107,000

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trends 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:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 5,801,000	\$ 7,739,000	\$ 10,148,000

OPEB Plan Fiduciary Net Position

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

Life Insurance Trust

Plan Description

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The TRS Life Insurance Trust is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

Benefits Provided

TRS provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability and \$2,000 for active contributing members who began participating before January 1, 2022. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled members.

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

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

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	126,000
Total	\$ 126,000

Actuarial Assumptions

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

Inflation Rate		2.50%
Real Wage Growth		0.25%
Wage Inflation		2.75%
Projected Salary Increases	3.00% - 7.50%, including wage inflation	
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation	
Municipal Bond Index Rate		2.13%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	
Discount Rate		7.10%

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results for the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
U.S. Equity	40.00%	4.40%
International Equity	23.00%	5.60%
Fixed Income	18.00%	-0.10%
Real Estate	6.00%	4.00%
Private Equity	5.00%	6.90%
Other Additional Categories	6.00%	2.10%
Cash	2.00%	-0.30%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position

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

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

General Information about the County Employees Retirement System's (CERS) OPEB Plan

Plan Description

The District's employees are provided OPEB under the provisions of Kentucky Revised Statutes, the Kentucky Retirement Systems (KRS) board administers the KRS Insurance Fund. The KRS Insurance Fund is a cost-sharing, multiple-employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are all regular full-time members employed in non-hazardous duty positions of the District. OPEB may be extended to beneficiaries of the plan members under certain circumstances. The CERS Insurance Fund is included in a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

The Insurance Fund provides hospital and medical benefits to eligible plan members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. Premium payments are submitted to DEI and Humana. The KRS board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The CERS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Contributions

Employers participating in the KRS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee's creditable compensation. For the year ended June 30, 2023, the required contribution was 3.39% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2023, were \$199,340. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit Subsidy

The fully-insured premiums paid for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB No. 75 requires that the liability associated with this implicit subsidy is included in the calculation of the total OPEB liability.

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

At June 30, 2023, the District reported a liability of \$4,641,467 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2022 contributions to the OPEB plan relative to the 2022 contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.235188%.

For the year ended June 30, 2023, the District recognized OPEB expense of \$757,974.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 467,202	\$ 1,064,396
Net difference between projected and actual investment earnings on OPEB plan investments	864,289	675,903
Change of assumptions	734,080	604,878
Changes in proportion and differences between employer contributions and proportionate share of contribution	496,422	178,443
District contributions subsequent to the measurement date	199,340	-
Total	<u>\$ 2,761,333</u>	<u>\$ 2,523,620</u>

For the year ended June 30, 2023, \$199,340 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year ended June 30,</i>	
2023	\$ 45,311
2024	39,855
2025	(175,574)
2026	128,781
2027	-
Thereafter	-

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022 were based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date (June 30, 2021) to the plan’s fiscal year ending June 30, 2022, using generally accepted actuarial principles. The plan adopted new actuarial assumptions since June 30, 2021, which were used to determine the total OPEB liability as follows:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.25%
 Healthcare Trend Rates (Pre-65)	 Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 9.00% in 2024, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
 Mortality (Pre-retirement)	 PUB-2010 General Mortality table, for the Non-hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
 Mortality (Post-retirement; non-disabled)	 System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
 Mortality (Post-retirement; disabled)	 PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Long-Term Expected Rate of Return

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below:

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	20.00%	
Core Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected	20.00%	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Expected Real Return	100.00%	4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

Discount Rate

Single discount rates of 5.70% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2022. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 3.69%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2022. Based on the stated assumptions and the projection of the cash flows as of each fiscal year ending, the plan’s fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the System’s actuarial determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in the Insurance Fund contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

Ohio County School District
Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2023, calculated using the discount rate of 5.70%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
District's proportionate share of the collective net OPEB liability	\$ 6,204,901	\$ 4,641,467	\$ 3,349,028

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the 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 are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 3,450,828	\$ 4,641,467	\$ 6,071,201

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report.

NOTE 10: CONTINGENCIES

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The 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.

Ohio County School District
Notes to the Financial Statements

NOTE 11: RISK MANAGEMENT

The District is exposed to various risk of loss of assets associated with the risks related to torts; theft of, damage to destruction of assets; fire, personal liability, vehicular accidents; errors and omissions, injuries to employees; fiduciary responsibility; and natural disasters. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which include workers' compensation insurance.

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

NOTE 12: LITIGATION

The District is subject to various other legal actions in various stages 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.

NOTE 13: EXCESS EXPENDITURES OVER APPROPRIATIONS

The District has two funds that had excess current year expenditures over current year appropriated revenues:

<i>Year ended June 30, 2023</i>	
Fund	Amount
Special Revenue Fund	\$ 76,165
Private Purpose Trust Fund	132,297

Ohio County School District
Notes to the Financial Statements

NOTE 14: FUND TRANSFERS

Fund transfers for the year ended June 30, 2023 consist of the following:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Matching	\$ 79,892
Operating	FSPK	Debt Service	Debt Service	1,679,367
Operating	General	Debt Service	Debt Service	98,174
Operating	General	District Activity Fund	Expenditures	453,857
Operating	SEEK	General	Expenditures	380,437
Operating	Construction	Construction	Construction	67,292
Operating	Special Revenue	General	Indirect Costs	93,679
Operating	Food Service	General	Indirect Costs	166,047
Operating	School Activity Fund	General	Expenditures	27,491
Operating	Special Revenue	Construction	HVAC Replacement	27,326
Operating	General	Construction	Construction	3,344,306

NOTE 15: ON-BEHALF PAYMENTS

The District receives on-behalf payments from the State of Kentucky for items including pension, technology, health care costs, operating costs and debt service. The amount received for the fiscal year ended June 30, 2023, was \$11,716,255. These payments were recorded as follows:

Year Ended June 30, 2023

Fund	Amount
General Fund	\$ 10,955,352
Food Service Fund	383,005
School Aged Child Care Fund	38,012
Debt Service Fund	339,886
Total	\$ 11,716,255

Year Ended June 30, 2023

	Amount
Technology	\$ 154,640
Health Insurance less Federal reimbursements	3,978,876
Life Insurance	7,234
Administrative Fees	57,880
HRA/Dental/Vision Insurance	345,533
SFCC Debt Service	339,886
KTRS	6,832,206
Total	\$ 11,716,255

Ohio County School District
Notes to the Financial Statements

NOTE 16: SUBSEQUENT EVENT

On September 21, 2023 the District entered into a contract for deed for \$345,345 on a parcel of land for future construction of a bus garage and central office.

Ohio County School District
Budgetary Comparison Schedule for the General Fund

<i>Year Ended June 30, 2023</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Local and intermediate sources	\$ 7,617,500	\$ 8,449,000	\$ 9,054,324	\$ 605,324
State programs	29,420,885	30,849,423	30,850,776	1,353
Federal programs	285,000	285,000	353,840	68,840
<hr/>				
Total revenues	37,323,385	39,583,423	40,258,940	675,517
<hr/>				
Expenditures				
Current:				
Instruction	18,649,491	19,666,052	18,922,995	743,057
Support services:				
Student	1,830,302	2,024,397	1,810,448	213,949
Instructional staff	1,471,442	1,542,511	1,469,769	72,742
District administration	749,589	668,667	698,473	(29,806)
School administration	2,573,456	2,854,547	2,706,611	147,936
Business	1,358,835	1,631,748	1,423,879	207,869
Plant operations and maintenance	4,875,104	5,017,005	4,107,758	909,247
Student transportation	3,266,605	3,693,168	3,748,159	(54,991)
Other	106,000	131,000	144,021	(13,021)
Food service operation	2,000	2,000	-	2,000
Building acquisition and construction	2,000	2,000	-	2,000
Contingency	16,931,609	10,358,049	-	10,358,049
<hr/>				
Total expenditures	51,816,433	47,591,144	35,032,113	12,559,031
<hr/>				
Excess (deficiency) of revenues over expenditures	(14,493,048)	(8,007,721)	5,226,827	13,234,548

Ohio County School District
 Budgetary Comparison Schedule for the General Fund

<i>Year Ended June 30, 2023</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
Other Financing Sources (Uses)				
Operating transfers - net	(6,952)	(3,336,066)	(3,308,575)	(27,491)
Total other financing sources (uses)	(6,952)	(3,336,066)	(3,308,575)	(27,491)
Net change in fund balance	(14,500,000)	(11,343,787)	1,918,252	13,262,039
Fund balance - beginning of year	14,500,000	11,343,787	21,158,361	9,814,574
Fund balance - end of year	\$ -	\$ -	\$ 23,076,613	\$ 23,076,613

Ohio County School District
Budgetary Comparison Schedule for the Special Revenue Fund

<i>Year Ended June 30, 2023</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Local and intermediate sources	\$ 365,988	\$ 425,900	\$ 398,626	\$ (27,274)
State programs	1,309,044	1,829,372	1,818,570	(10,802)
Federal programs	2,952,193	2,953,818	6,786,952	3,833,134
Total revenues	4,627,225	5,209,090	9,004,148	3,795,058
Expenditures				
Current:				
Instruction	3,317,274	3,733,262	6,530,153	(2,796,891)
Support services:				
Student	13,431	58,280	453,304	(395,024)
Instructional staff	457,858	528,824	428,773	100,051
District administration	-	-	1,130	(1,130)
School administration	1,230	1,628	18,398	(16,770)
Business	240,180	226,889	443,696	(216,807)
Plant operations and maintenance	62,064	55,000	200,970	(145,970)
Student transportation	49,655	47,655	293,897	(246,242)
Other	474,272	548,114	553,295	(5,181)
Food service operations	-	-	29,169	(29,169)
Day care operations	-	-	86,415	(86,415)
Total expenditures	4,615,964	5,199,652	9,039,200	(3,839,548)
Excess (deficiency) of revenues over expenditures	11,261	9,438	(35,052)	(44,490)

Ohio County School District
 Budgetary Comparison Schedule for the Special Revenue Fund

<i>Year Ended June 30, 2023</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>	
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>	
Other Financing Sources (Uses)					
Operating transfers- net	(11,261)	(19,838)	(41,113)		(21,275)
Total other financing sources (uses)	(11,261)	(19,838)	(41,113)		(21,275)
Net change in fund balance	-	(10,400)	(76,165)		(65,765)
Fund balance - beginning of year	-	-	115,176		115,176
Fund balance - end of year	\$ -	\$ (10,400)	\$ 39,011	\$	\$ 49,411

Ohio County School District

Schedule of the District's Proportionate Share of the Net Pension Liability and
Schedule of District's Contributions – Kentucky Teachers' Retirement System

Schedule of the District's Proportionate Share of the Net Pension Liability-KTRS

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	\$ 73,285,670	\$ 59,060,570	\$ 69,655,781	\$ 66,419,319	\$ 64,714,029	\$ 137,855,110	\$ 150,116,314	\$ 115,522,115	\$ 103,779,835
District's covered payroll	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000	\$ 16,113,000	\$ 15,827,000	\$ 11,457,464
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

Schedule of District's Contributions-KTRS

<i>For the Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 15,732,298	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000	\$ 16,113,000	\$ 15,827,000
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Ohio County School District
Schedule of the District's Proportionate Share of the Net Pension Liability and
Schedule of District's Contributions – Kentucky Teachers' Retirement System

Changes of Benefit Terms

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

Changes of Assumptions

2022: No changes in assumptions.

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

2020: No changes in assumptions.

2019: No changes in assumptions.

In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.

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

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

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

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

Ohio County School District

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

Schedule of the District's Proportionate Share of the Net Pension Liability-CERS									
<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.235033%	0.202624%	0.208223%	0.214503%	0.220721%	0.222690%	0.233670%	0.231660%	0.231542%
District's proportionate share of the net pension liability	\$ 16,990,567	\$ 12,918,869	\$ 15,970,532	\$ 15,086,092	\$ 13,442,582	\$ 13,010,088	\$ 11,504,838	\$ 9,960,000	\$ 7,512,000
District's covered payroll	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072	\$ 5,666,852	\$ 4,607,166	\$ 3,973,608
District's proportionate share of the net pension liability as a percentage of its covered payroll	248.13%	237.57%	293.00%	275.29%	241.67%	235.01%	203.02%	216.18%	189.05%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

Schedule of District's Contributions-CERS									
<i>For the Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,370,266	\$ 1,449,632	\$ 1,049,524	\$ 1,051,984	\$ 888,857	\$ 805,418	\$ 772,282	\$ 703,823	\$ 587,414
Contributions in relation to the contractually required contribution	1,370,266	1,449,632	1,049,524	1,051,984	888,857	805,418	772,282	703,823	587,414
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072	\$ 5,666,852	\$ 4,607,166
Contributions as a percentage of covered payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

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

Changes of Benefit Terms

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

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

Changes of Assumptions

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

2022: No changes in assumptions.

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

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

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

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

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

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

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

2015: No changes in assumptions.

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions –
Kentucky Teachers' Retirement System – Medical Insurance Fund

Schedule of the District's Proportionate share of the Collective Net OPEB Liability - KTRS

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.311724%	0.242205%	0.263982%	0.259866%	0.255459%	0.270290%
District's proportionate share of the collective net OPEB liability	\$ 7,739,000	\$ 5,197,000	\$ 6,662,000	\$ 7,606,000	\$ 8,864,000	\$ 9,542,000
District's covered payroll	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	46.54%	29.10%	39.21%	45.91%	53.30%	57.04%
Plan fiduciary net position as a percentage of the total OEPB liability	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

Schedule of the District's Contributions - KTRS

<i>For the Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 375,930	\$ 380,911	\$ 372,218	\$ 426,025	\$ 455,000	\$ 463,000
Contributions in relation to the contractually required contribution	375,930	380,911	372,218	426,025	455,000	463,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 15,732,298	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000
Contributions as percentage of covered payroll	2.39%	2.29%	2.08%	2.51%	2.75%	2.78%

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions –
Kentucky Teachers' Retirement System – Medical Insurance Fund

Changes of Benefit Terms

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

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms.

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

Changes of Assumptions

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

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions –
Kentucky Teachers' Retirement System – Life Insurance Fund

Schedule of the District's Proportionate share of the Collective Net OPEB Liability - KTRS

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

Schedule of the District's Contributions - KTRS

<i>For the Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 15,732,298	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000
Contributions as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions –
Kentucky Teachers' Retirement System – Life Insurance Fund

Changes of Benefit Terms

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

Changes of Assumptions

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

Schedule of District's Proportionate Share of the Collective Net OPEB Liability - CERS

<i>As of June 30,</i>	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.235188%	0.202577%	0.208266%	0.214470%	0.220712%	0.222269%
District's proportionate share of the net OPEB liability	\$ 4,641,467	\$ 3,878,235	\$ 5,028,991	\$ 3,606,902	\$ 3,918,698	\$ 4,468,367
District's covered payroll	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	67.78%	71.32%	92.26%	65.82%	70.45%	80.71%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

Schedule of District Contributions - CERS

<i>For the years ended June 30,</i>	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 199,340	\$ 394,683	\$ 259,110	\$ 259,717	\$ 288,248	\$ 261,427
Contributions in relation to the contractually required contribution	199,340	394,683	259,110	259,717	288,248	261,427
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279
Contributions as a percentage of covered payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

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

Changes of Benefit Terms

No changes of benefit terms.

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

Changes of Assumptions

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

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

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

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

2018: There have been no changes in actuarial assumptions since June 30, 2017 (other than the blended discount rate used to calculate the total OPEB liability). However, during the 2018 legislative session, House Bill 185 was enacted, which update the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2018 is determined using the updated benefit provisions.

Ohio County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

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

Ohio County School District
Combining Balance Sheet
Nonmajor Governmental Funds

<i>June 30, 2023</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	DAF Fund	Total Other Governmental Funds
Assets						
Cash	\$ -	\$ 515,655	\$ -	\$ 112,788	\$ 164,729	\$ 793,172
Total assets	\$ -	\$ 515,655	\$ -	\$ 112,788	\$ 164,729	\$ 793,172
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,960	\$ 3,960
Deferred revenue	-	-	-	-	250	250
Total liabilities	-	-	-	-	4,210	4,210
Fund Balances						
Restricted						
Student activities	-	-	-	112,788	-	112,788
Prior SFCC offer	-	199,146	-	-	-	199,146
Capital projects	-	316,509	-	-	-	316,509
Assigned	-	-	-	-	160,519	160,519
Total fund balances	-	515,655	-	112,788	160,519	788,962
Total liabilities and fund balances	\$ -	\$ 515,655	\$ -	\$ 112,788	\$ 164,729	\$ 793,172

Ohio County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

<i>For the year ended June 30, 2023</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	DAF Fund	Total Other Governmental Funds
Revenues						
From local sources:						
Taxes:						
Property	\$ -	\$ 608,183	\$ -	\$ -	\$ -	\$ 608,183
Earnings on investments	-	-	-	4,701	-	4,701
Other local revenue	-	-	-	167,166	293,386	460,552
Intergovernmental - state	380,437	1,324,434	339,886	-	-	2,044,757
Total revenues	380,437	1,932,617	339,886	171,867	293,386	3,118,193
Expenditures						
Current:						
Instruction	-	-	-	141,058	555,809	696,867
Support services:						
Instructional staff	-	-	-	-	68,922	68,922
Student transportation	-	-	-	1,667	114,718	116,385
Debt service:						
Principal	-	-	1,636,000	-	-	1,636,000
Interest	-	-	481,427	-	-	481,427
Total expenditures	-	-	2,117,427	142,725	739,449	2,999,601
Excess (deficiency) of revenues over expenditures	380,437	1,932,617	(1,777,541)	29,142	(446,063)	118,592

Ohio County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

<i>For the year ended June 30, 2023</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	DAF Fund	Total Other Governmental Funds
Other Financing Sources (Uses)						
Operating transfers-in	-	-	1,777,541	-	453,857	2,231,398
Operating transfers-out	(380,437)	(1,679,367)	-	(27,491)	-	(2,087,295)
Total other financing sources (uses)	(380,437)	(1,679,367)	1,777,541	(27,491)	453,857	144,103
Net change in fund balances	-	253,250	-	1,651	7,794	262,695
Fund balances - beginning of year	-	262,405	-	111,137	152,725	526,267
Fund Balances - end of year	\$ -	\$ 515,655	\$ -	\$ 112,788	\$ 160,519	\$ 788,962

Ohio County School District
 Combining Statement of Net Position
 Nonmajor Proprietary Funds

<i>June 30, 2023</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Enterprise Funds
Assets				
Cash	\$ 96,923	\$ 5,398	\$ 3,502	\$ 105,823
Accounts receivable:				
Accounts	4,632	-	-	4,632
Total assets	101,555	5,398	3,502	110,455
Net Position				
Unrestricted	101,555	5,398	3,502	110,455
Total net position	\$ 101,555	\$ 5,398	\$ 3,502	\$ 110,455

Ohio County School District
Combining Statement of Revenue, Expenses and Changes in Net Position
Nonmajor Proprietary Funds

<i>For the year ended June 30, 2023</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Enterprise Funds
Operating Revenues				
Tuition and fees	\$ 71,746	\$ 11,377	\$ -	\$ 83,123
Total operating revenues	71,746	11,377	-	83,123
Operating Expenses				
Instruction	-	6,147	-	6,147
Other operating expenses	43,314	-	-	43,314
Total operating expenses	43,314	6,147	-	49,461
Operating income	28,432	5,230	-	33,662
Non-Operating Revenues				
State operating grants	38,012	-	-	38,012
Total non-operating revenues	38,012	-	-	38,012
Change in net position	66,444	5,230	-	71,674
Net position - beginning of year	35,111	168	3,502	38,781
Net position - end of year	101,555	5,398	3,502	110,455

Ohio County School District
Combining Statement of Cash Flows
Nonmajor Proprietary Funds

<i>For the year ended June 30, 2023</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Nonmajor Enterprise Funds
Operating Activities				
Cash received from user charges	\$ 74,135	\$ 11,377	\$ -	\$ 85,512
Cash payments for other operating expenses	(5,302)	(6,147)	-	(11,449)
Net cash used in operating activities	68,833	5,230	-	74,063
Net increase in cash	68,833	5,230	-	74,063
Cash - beginning of year	28,090	168	3,502	31,760
Cash - end of year	\$ 96,923	\$ 5,398	\$ 3,502	\$ 105,823

<i>For the year ended June 30, 2023</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Nonmajor Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 28,432	\$ 5,230	\$ -	\$ 33,662
Adjustments To Reconcile Operating Income To Net Cash Provided by Operating Activities:				
On-behalf payments received	38,012	-	-	38,012
Changes in assets and liabilities:				
Receivables	2,389	-	-	2,389
Net cash provided by operating activities	\$ 68,833	\$ 5,230	\$ -	\$ 74,063

Ohio County School District
Combining Statement of School Activity Funds

<i>Year Ended June 30, 2023</i>	Cash July 1, 2022	Cash Receipts	Cash Disbursements and Transfers	Cash June 30, 2023	Fund Balance June 30, 2023
Southern Elementary School	\$ 8,471	\$ 436	\$ 176	\$ 8,731	\$ 8,731
Western Elementary School	3,188	2,433	2,605	3,016	3,016
Wayland Alexander Elementary School	5,463	3,519	3,149	5,833	5,833
Fordsville Elementary School	2,517	2,959	3,085	2,391	2,391
Horse Branch Elementary School	2,851	1,310	1,470	2,691	2,691
Beaver Dam Elementary School	6,125	15,027	17,366	3,786	3,786
Ohio County Middle School	18,000	22,668	24,381	16,287	16,287
Ohio County High School	65,060	123,926	118,933	70,053	70,053
Total	\$ 111,675	\$ 172,278	\$ 171,165	\$ 112,788	\$ 112,788

Ohio County School District
Statement of School Activity Funds -
Ohio County High School

<i>Year Ended June 30, 2023</i>	Cash						
	Cash July 1, 2022	Cash Receipts	Cash Disbursements and Transfers	Cash June 30, 2023	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2023
Girls Soccer - District	\$ -	\$ 992	\$ 992	\$ -	\$ -	\$ -	\$ -
Volleyball - District	-	1,032	1,032	-	-	-	-
Boys Soccer - District	-	546	546	-	-	-	-
Boys/Girls Basketball Region	3	-	-	3	-	-	3
JROTC	3,809	649	1,359	3,099	-	-	3,099
Art Club	780	4,057	4,574	263	-	-	263
Beta Club	3,433	7,987	5,691	5,729	-	-	5,729
FCA	722	985	1,454	253	-	-	253
Speak Up	8	25	-	33	-	-	33
TMRW	6	50	-	56	-	-	56
Drama Club	680	1,255	1,822	113	-	-	113
FFA	718	510	487	741	-	-	741
FCCLA	527	3,333	2,787	1,073	-	-	1,073
NHS	1,954	1,700	973	2,681	-	-	2,681
Pep Club	967	1,212	1,789	390	-	-	390
OC Drug Free	533	45	516	62	-	-	62
PCG	46	261	297	10	-	-	10
Eagle Excellence	1,851	540	849	1,542	-	-	1,542
General Fund	4,391	4,744	4,556	4,579	-	-	4,579
Jake Russell Scholarship	610	-	610	-	-	-	-
Book Club	1,545	102	141	1,506	-	-	1,506
Flower Fund	37	-	37	-	-	-	-
Prom	7,759	15,480	18,563	4,676	-	-	4,676
AP Exam	3,623	1,088	1,447	3,264	-	-	3,264

Ohio County School District
Statement of School Activity Funds -
Ohio County High School

<i>Year Ended June 30, 2023</i>	Cash	Cash	Cash	Cash	Accounts	Accounts	Fund Balance
	July 1, 2022	Receipts	Disbursements	June 30, 2023	Receivable	Payable	June 30, 2023
			and Transfers				
Student Council - Dances	-	4,150	1,478	2,672	-	-	2,672
FCS - Culinary Creations	20	85	-	105	-	-	105
FFA Farm City Supper	854	-	-	854	-	-	854
Spirit Store	2,499	4,631	4,859	2,271	-	-	2,271
Social Studies Trip	1,647	-	-	1,647	-	-	1,647
Horticulture - Plant Sales	13,443	46,961	45,255	15,149	-	-	15,149
FACS - Beef/Egg/Chicken Reb	-	41	-	41	-	-	41
Yearbook Ad/Sales	10,227	13,833	8,601	15,459	-	-	15,459
FFA - Fruit Sales	2,293	4,893	5,617	1,569	-	-	1,569
Senior Trip	75	2,739	2,601	213	-	-	213
Total	\$ 65,060	\$ 123,926	\$ 118,933	\$ 70,053	\$ -	\$ -	\$ 70,053

Ohio County School District
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Child Nutrition Cluster				
Direct Program:				
Food Distribution Program - non-cash	10.555	-	\$ -	\$ 121,265
Passed-Through State Department of Education:				
School Breakfast Program	10.553	7760005 23	-	1,061,594
National School Lunch Program	10.555	7750002 23	-	2,160,460
COVID-19 National School Lunch Program	10.555	9980000 22	-	141,759
Summer Food Service Program for Children	10.559	7740023 22	-	<u>129,329</u>
Subtotal				3,614,407
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT)				
Administrative Cost	10.649	9990000 22	-	3,135
State Administrative Expense for Child Nutrition	10.560	7700001 21	-	4,857
Total U.S. Department of Agriculture				3,622,399
U.S. Department of Defense				
Direct Program:				
ROTC - 2023	12.U01	-	-	61,749
Total U.S. Department of Defense				61,749
U.S. Department of Education				
Passed-Through State Department of Education:				
Title I, Part A				
Title I Grants to Local Educational Agencies - 2021	84.010	3100002 20	-	6,908
Title I Grants to Local Educational Agencies - 2022	84.010	3100002 21	-	369,327
Title I Grants to Local Educational Agencies - 2023	84.010	3100002 22	-	<u>1,018,625</u>
Subtotal				1,394,860

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Ohio County School District
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Migrant Education State Grant Program- 2023	84.011	3110002 22	-	61,081
Title I State Agency Program for Neglected and Delinquent Children and Youth - 2022	84.013	313I	-	18,620
Title I State Agency Program for Neglected and Delinquent Children and Youth - 2023	84.013	313J	-	<u>7,493</u>
Subtotal				26,113
Special Education Cluster				
Special Education Grant to States - 2022	84.027	3810002 21	-	152,451
Special Education Grant to States - 2023	84.027	3810002 22	-	848,491
COVID-19 Special Education Grant to States - 2022	84.027	3810002 21	-	33,552
Special Education Preschool Grant - 2022	84.173	3800002 21	-	3,020
Special Education Preschool Grant - 2023	84.173	3800002 22	-	54,838
COVID-19 Special Education Preschool Grant - 2022	84.173	3800002 21	-	<u>23,275</u>
Subtotal				1,115,627
English Language Acquisition State Grants - 2022	84.365	3300002 21	-	969
English Language Acquisition State Grants - 2023	84.365	3300002 22	-	<u>24,574</u>
Subtotal				25,543
Career and Technical Education - Basic Grants to States - 2021	84.048	3710002 20	-	4,373
Career and Technical Education - Basic Grants to States - 2022	84.048	3710002 21	-	2,444
Career and Technical Education - Basic Grants to States - 2023	84.048	3710002 22	-	<u>40,891</u>
Subtotal				47,708
Supporting Effective Instruction State Grants - 2022	84.367	3230002 21	-	1,680
Supporting Effective Instruction State Grants - 2023	84.367	3230002 22	-	<u>193,807</u>
Subtotal				195,487
Title VI - Rural Education Achievement - 2022	84.358	3140002 21	-	35,042
Education Innovation and Research	84.411	491E	-	12,022
Student Support and Academic Enrichment Program - 2022	84.424	3420002 21	-	27,897
Student Support and Academic Enrichment Program - 2023	84.424	3420002 22	-	<u>59,250</u>
Subtotal				87,147
COVID-19 Education Stabilization Funds				
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000002-20	-	22,157
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-21	-	1,721,359
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	4300002-21	-	<u>2,042,806</u>
Subtotal				3,786,322
Total U.S. Department of Education				6,786,952
Total Expenditures of Federal Awards			\$ -	\$ 10,471,100

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Ohio County School District
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Nonmonetary assistance is reported in the schedule at fair value of the goods received.

NOTE 3: INDIRECT COST RATE

The District has elected to use indirect cost rates as defined by the grantor in the following programs:

- Child Nutrition Cluster
- Title I Grants to Local Educational Agencies
- Migrant Education State Grant Program
- IDEA – Part B Special Education
- Supporting Effective Instruction State Grants
- Title IV Student Support and Academic Enrichment Program

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

NOTE 4: SUBRECIPIENTS

There were no subrecipients during the fiscal year.

NOTE 5: LOANS AND LOAN GUARANTEES

The District did not have any loans or loan guarantee programs required to be reported on the schedule.

Ohio County School District
Summary Schedule of Prior Audit Findings

Kara Bullock
Assistant Superintendent

Cheston Hoover
Assistant Superintendent

Kathy Meredith, CSFM
CFO/Treasurer

Christy Fulton
Director of Special Education

Chris Stafford
Director of District Programs

Ohio County Schools



315 East Union Street
P. O. Box 70
Hartford, Kentucky 42347
(270) 298-3249
Fax (270) 298-3886

Seth Southard, Superintendent

Board Members

Jeff Evans
Chairman
Center town

Anthony Geary
Vice Chairman
Beaver Dam

Tim Johnston
Horse Branch/
Southern

Cydney Cook
Hartford

Helen Dever
Fordsville

**Ohio County School District
Summary Schedule of Prior Audit Findings
Year ended June 30, 2022**

2022-001 Construction Projects

Condition: The District's June 30, 2022 general ledger had retainage payables recorded, however, the retainage payable recorded was not complete.

Recommendation: We recommend the District implement a process to capture all construction payables, including any retainage payable, in order to reflect the correct cost of ongoing construction projects.

Current Status: The recommendation was adopted on November 11, 2022. No similar findings were noted in the 2023 audit.

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

Non-Discriminatory Policy Statement

Students, their parents and employees of the Ohio County Board of Education, are hereby notified this school district does not discriminate on the basis of race, color, religion, gender, genetic information, national or ethnic origin, political affiliation, age or disabling condition in employment, educational programs, vocational programs or activities as set forth in Title IX, Title VI, Section 504, and ADA. Any person having inquires concerning the Ohio County Board of Education compliance with Title IX, Title VI, Section 504, and ADA is directed to contact Christy Nofsinger, Ohio County Board of Education, P.O. Box 70, 315 East Union Street, Hartford, KY 42347, 298-3249, who has been designated to coordinate the district's efforts to comply with Title IX, Title VI, and Section 504.



Carr, Riggs & Ingram, LLC
922 State Street
Suite 100
Bowling Green, KY 42101

Mailing Address:
PO Box 104
Bowling Green, KY 42102

270.782.0700
270.782.0932 (fax)
CRICpa.com

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Ohio County School District
Hartford, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits as defined in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Ohio County School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Ohio County School District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated November 13, 2023.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, Kentucky
November 13, 2023

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Ohio County School District
Hartford, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, KY
November 13, 2023

Ohio County School District
Schedule of Findings and Questioned Costs

Section I — Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major Federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))? Yes No

Ohio County School District
Schedule of Findings and Questioned Costs

Identification of major Federal program:

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
84.010	Title I, Part A
84.425	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II — Financial Statement Findings

None reported.

Section III — Federal Award Findings and Questioned Costs

None reported.



Carr, Riggs & Ingram, LLC
922 State Street
Suite 100
Bowling Green, KY 42101

Mailing Address:
PO Box 104
Bowling Green, KY 42102

270.782.0700
270.782.0932 (fax)
CRICpa.com

Kentucky State Committee for School District Audits
Members of the Board of Education
Ohio County School District
Hartford, Kentucky

In planning and performing our audit of the financial statements of Ohio County School District (the "District") for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and 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. A separate report dated November 13, 2023 contains our report on the District's internal control. This letter does not affect our report dated November 13, 2023 on the financial statements of the District.

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

This communication is intended solely for the information and use of the District, Kentucky State Committee for School Districts Audits, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, KY
November 13, 2023

Ohio County School District Comments and Recommendations

Current Year Comments

• Western Elementary School

- During our sampling procedures over receipts, we noted one of two receipts tested lacked dual initials on the deposit slip. We recommend all receipts have dual initials on the deposit slip in accordance with Redbook.
- During our sampling procedures over receipts, we noted one of two receipts tested lacked receipt numbers being recorded on the deposit slip. We recommend receipt numbers be listed on the respective deposit slip in accordance with Redbook.

• Southern Elementary School

- During our sampling procedures over receipts, we noted one of one receipts tested lacked receipt numbers being recorded on the deposit slip. We recommend receipt numbers be listed on the respective deposit slip in accordance with Redbook.

• Beaver Dam Elementary School

- During our sampling procedures over receipts, we noted one of two receipts tested lacked dual initials on the deposit slip. We recommend all receipts have dual initials on the deposit slip in accordance with Redbook.

• Ohio County High School

- During our sampling procedures over receipts, we noted the school treasurer is timely depositing funds as received, however for seven of eight receipts tested, it appears the faculty is holding on to checks or monies before remitting to the school treasurer. We recommend all receipts exceeding \$100 for the day be timely remitted to the school treasurer for the daily deposit in accordance with Redbook.

Prior Year

All prior year findings were corrected.

Kara Bullock
Assistant Superintendent

Cheston Hoover
Assistant Superintendent

Kathy Meredith, CSFM
CFO/Treasurer

Christy Fulton
Director of Special Education

Chris Stafford
Director of District Programs

Ohio County Schools



315 East Union Street
P. O. Box 70
Hartford, Kentucky 42347
(270) 298-3249
Fax (270) 298-3886

Seth Southard, Superintendent

Board Members

Jeff Evans
Chairman
Centertown

Anthony Geary
Vice Chairman
Beaver Dam

Tim Johnston
Horse Branch/
Southern

Cyndee Cook
Hartford

Helen Dever
Fordsville

November 13, 2023

Current Year Comments

Western Elementary School:

Comment: During our sampling procedures over receipts, we noted one of two receipts tested lacked dual initials on the deposit slip. We recommend all receipts have dual initials on the deposit slip in accordance with Redbook.

Response: The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that deposit slips with include dual initials. The Principal will verify compliance.

Comment: during our sampling procedures over receipts, we noted one of two receipts tested lacked receipt numbers being recorded on the deposit slip. We recommend receipt numbers be listed on the respective deposit slip in accordance with Redbook.

Response: The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that receipt numbers are recorded on all deposit slips. The Principal will verify compliance.

Southern Elementary School:

Comment: During our sampling procedures over receipts, we noted one of one two receipts tested lacked receipt numbers being recorded on the deposit slip. We recommend receipt numbers be listed on the respective deposit slip in accordance with Redbook.

Response: The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that receipt numbers are recorded on all deposit slips. The Principal will verify compliance.

Beaver Dam Elementary School:

Comment: During our sampling procedures over receipts, we noted one of two receipts tested lacked dual initials on the deposit slip. We recommend all receipts have dual initials on the deposit slip in accordance with Redbook.

Response: The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that deposit slips with include dual initials. The Principal will verify compliance.

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

Non-Discriminatory Policy Statement

Students, their parents and employees of the Ohio County Board of Education, are hereby notified this school district does not discriminate on the basis of race, color, religion, gender, genetic information, national or ethnic origin, political affiliation, age or disabling condition in employment, educational programs, vocational programs or activities as set forth in Title IX, Title VI, Section 504, and ADA. Any person having inquires concerning the Ohio County Board of Education compliance with Title IX, Title VI, Section 504, and ADA is directed to contact Christy NofSinger, Ohio County Board of Education, P.O. Box 70, 315 East Union Street, Hartford, KY 42347, 298-3249, who has been designated to coordinate the district's efforts to comply with Title IX, Title VI, and Section 504.

Kara Bullock
Assistant Superintendent

Cheston Hoover
Assistant Superintendent

Kathy Meredith, CSFM
CFO/Treasurer

Christy Fulton
Director of Special Education

Chris Stafford
Director of District Programs

Ohio County Schools



315 East Union Street
P. O. Box 70
Hartford, Kentucky 42347
(270) 298-3249
Fax (270) 298-3886

Seth Southard, Superintendent

Board Members

Jeff Evans
Chairman
Centertown

Anthony Geary
Vice Chairman
Beaver Dam

Tim Johnston
Horse Branch/
Southern

Cydney Cook
Hartford

Helen Dever
Fordsville

Ohio County High School:

Comment: During our sampling procedures over receipts, we noted the school treasurer is timely depositing funds as received, however for seven of eight receipts tested, it appears the faculty is holding on to checks or monies before remitting to the school treasurer. We recommend all receipts exceeding \$100 for the day be timely remitted to the school treasurer for the daily deposit in accordance with Redbook.

Response: The Principal and Finance Officer will investigate incidences noted in audit sample. The Principal will reiterate to all faculty the importance of turning in any collected funds daily to the School Treasurer. The Principal and School Treasurer will monitor compliance.


Kathy Meredith
Finance Officer
Ohio County School District

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

Non-Discriminatory Policy Statement

Students, their parents and employees of the Ohio County Board of Education, are hereby notified this school district does not discriminate on the basis of race, color, religion, gender, genetic information, national or ethnic origin, political affiliation, age or disabling condition in employment, educational programs, vocational programs or activities as set forth in Title IX, Title VI, Section 504, and ADA. Any person having inquiries concerning the Ohio County Board of Education compliance with Title IX, Title VI, Section 504, and ADA is directed to contact Christy Nofsinger, Ohio County Board of Education, P.O. Box 70, 315 East Union Street, Hartford, KY 42347, 298-3249, who has been designated to coordinate the district's efforts to comply with Title IX, Title VI, and Section 504.



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