

**Jessamine County School District**  
**Audited Financial Statements**  
**and Required Supplementary Information**  
**June 30, 2023**

**JESSAMINE COUNTY SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2023**

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Special Revenue Fund	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Notes to Basic Financial Statements	22-61

**JESSAMINE COUNTY SCHOOL DISTRICT  
TABLE OF CONTENTS - CONTINUED  
JUNE 30, 2023**

	<u>Page</u>
Required Supplementary Information:	
Schedule of District's Proportionate Share of Net Pension Liability	62
Schedule of District Contributions - Pension	63
Notes to Required Supplementary Information - Pension	64-65
Schedule of District's Proportionate Share of Net OPEB Liability – Medical Insurance Plan	66
Schedule of District Contributions – Medical Insurance Plan	67
Notes to Required Supplementary Information – Medical Insurance Plan	68
Schedule of District's Proportionate Share of Net OPEB Liability – Life Insurance Plan	69
Schedule of District Contributions – Life Insurance Plan	70
Notes to Required Supplementary Information – Life Insurance Plan	71
Supplemental Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Non-Major Governmental Funds	73
Combining Statement of Changes in Assets and Liabilities – School Activity Funds	74
Statement of Changes in Assets and Liabilities – East Jessamine High School Activity Funds	75
Statement of Changes in Assets and Liabilities – West Jessamine High School Activity Funds	76
Statement of Changes in Assets and Liabilities – The Providence School Activity Funds	77
Schedule of Expenditures of Federal Awards By Grant	78-81
Notes to Schedule of Expenditures of Federal Awards	82
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	83-84
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	85-87
Schedule of Findings and Questioned Costs	88-89
Schedule of Prior Year Audit Findings	90
Management Letter Comments	91-96

**SUMMERS, MCCRARY & SPARKS, P.S.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To the Kentucky State Committee of School District Audits  
Members of the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

**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 Jessamine County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Jessamine County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, major fund, and the aggregate remaining fund information of the Jessamine County School 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 requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School District's Audit Contract and Requirements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jessamine County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Jessamine County School 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 Jessamine County School 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, Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District Contributions – Pension, Schedule of District's Proportionate Share of Net OPEB Liability – Medical Insurance Plan, Schedule of District Contributions – Medical Insurance Plan, Schedule of District's Proportionate Share of Net OPEB Liability – Life Insurance Plan, and Schedule of District Contributions – Life Insurance Plan on pages 4-10 and 62-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jessamine County School 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 10, 2023, on our consideration of the Jessamine 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 Jessamine County School 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 Jessamine County School District's internal control over financial reporting and compliance.

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 10, 2023

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

As management of the Jessamine County School 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/OVERALL DISTRICT HIGHLIGHTS**

Jessamine County Schools' K-12 average daily membership totaled 8102 students in the 2023-2024 fiscal year, an increase of 205 students since the previous school year. These students are housed in 14 schools including 2 high schools, 2 middle schools, 6 elementary schools, 1 career and technical school, 2 alternative schools, and 1 early learning school.

- The beginning General Fund balance for the District was \$12,605,137. With an increase of \$2,107,599, the ending balance for FY2023 was \$14,712,736.
- Funding ADA was unchanged. As a result of the pandemic, we chose to utilize our 2018-2019 ADA to stabilize our SEEK Funding. Our funding ADA was 7,672.491 for 2022-23.
- The Guaranteed SEEK base was increased to \$4,100 per pupil.
- Full Day Kindergarten is 100% funded beginning in 2021-22, however, State transportation funding increased to 75% of prior year expenditures.
- CERS Employer Contribution Rate decreased from 26.95% in 2021-22 to 26.79% in 2022-23 fiscal year.
- The Board adopted a 4% property tax increase in the current year.
- The District had several construction projects in progress during the Fiscal Year
  - East High & West Middle Chiller Replacement
  - East & West Track Resurfacing projects
  - Rosenwald Dunbar Elementary School renovation

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

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

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

The government-wide financial statements can be found on pages 11-12 of this report.

**Fund financial statements.** 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. This 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 funds, and fiduciary funds.

Fiduciary funds are trust funds established by benefactors to aid in student education, welfare, and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the district are included in the governmental funds.

The basic fund financial statements can be found on pages 13-21 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-61 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$22,388,720 as of June 30, 2023 as compared to \$11,767,251 in the prior year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture, equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. 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. 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. The breakdown of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position can be seen on page 11 in the statement of net position, Governmental Wide Basis.

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

**Net position for the years ending June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current Assets	\$ 31,102,651	\$ 32,636,729	\$ (1,534,078)
Noncurrent Assets	161,470,251	155,717,226	5,753,025
<b>Total Assets</b>	<u>192,572,902</u>	<u>188,353,955</u>	<u>4,218,947</u>
<b>Deferred Outflows of Resources</b>	<u>28,705,108</u>	<u>17,854,872</u>	<u>10,850,236</u>
Current Liabilities	15,610,423	15,869,720	(259,297)
Noncurrent Liabilities	165,116,254	158,444,998	6,671,256
<b>Total Liabilities</b>	<u>180,726,677</u>	<u>174,314,718</u>	<u>6,411,959</u>
<b>Deferred Inflows of Resources</b>	<u>18,162,613</u>	<u>20,126,858</u>	<u>(1,964,245)</u>
Net Position			
Investment in capital assets (net)	55,566,768	43,649,711	11,917,057
Restricted	6,847,495	10,241,337	(3,393,842)
Unrestricted	(40,025,543)	(42,123,797)	2,098,254
<b>Total Net Position</b>	<u>\$ 22,388,720</u>	<u>\$ 11,767,251</u>	<u>\$ 10,621,469</u>

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

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

	Net Change in Position					
	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Local revenue sources	\$44,980,366	\$40,844,326	\$678,792	\$606,341	\$45,659,158	\$41,450,667
State revenue sources	73,561,534	32,352,794	422,440	359,427	73,983,974	32,712,221
Federal revenue sources	17,279,038	15,820,954	5,843,557	6,305,158	23,122,595	22,126,112
Tuition	184,386	51,339	0	0	184,386	51,339
Gain/(Loss) on sale of assets	108,906	17,843	0	(8,258)	108,906	9,585
Investments	760,518	66,823	41,525	2,608	802,043	69,431
<b>Total Revenue</b>	<b>136,874,748</b>	<b>89,154,079</b>	<b>6,986,314</b>	<b>7,265,276</b>	<b>143,861,062</b>	<b>96,419,355</b>
<b>Expenses:</b>						
Instruction	75,932,516	44,224,405	0	0	75,932,516	44,224,405
Student support services	8,909,794	5,290,961	0	0	8,909,794	5,290,961
Instructional support	4,526,448	3,324,900	0	0	4,526,448	3,324,900
District administration	997,678	1,092,554	0	0	997,678	1,092,554
School administration	9,875,813	6,039,981	0	0	9,875,813	6,039,981
Business support	4,285,205	4,019,578	0	0	4,285,205	4,019,578
Plant operations	9,480,697	8,953,361	0	0	9,480,697	8,953,361
Student transportation	7,752,795	7,394,708	0	0	7,752,795	7,394,708
Food service	26,475	28,517	6,452,048	5,062,398	6,478,523	5,090,915
Day care	765,705	430,019	70,636	35,497	836,341	465,516
Community service	978,418	810,637	30,948	9,225	1,006,841	819,862
Non-instructional	0	5,845	0	0	2,525	5,845
Interest on long-term debt	3,154,417	3,476,719	0	0	3,154,417	3,476,719
<b>Total Expenses</b>	<b>126,685,961</b>	<b>85,092,185</b>	<b>6,553,632</b>	<b>5,107,120</b>	<b>133,239,593</b>	<b>90,199,305</b>
Transfers	572,970	490,370	(572,970)	(490,370)	0	0
Change in net position	10,761,757	4,552,264	(140,288)	1,667,786	10,621,469	6,220,050
Beginning net position	10,468,940	5,916,676	1,298,311	(369,475)	11,767,251	5,547,201
<b>Ending net position</b>	<b>\$21,230,697</b>	<b>\$10,468,940</b>	<b>\$1,158,023</b>	<b>\$1,298,311</b>	<b>\$22,388,720</b>	<b>\$11,767,251</b>

**Governmental Activities**

Instruction comprises 60% of governmental program expenses. Plant Operations expense makes up 7% of government expenses. District and School Administration total 9% of governmental expenses. Student and instructional support total 11% of governmental expenses. The remaining expenses for support services, community service activities, transportation, and interest account for the final 13% of total governmental expense.

**Business-Type Activities**

The business-type activities include the food service and day care operations. These programs had total revenues of \$6,986,314 and expenses of \$6,553,632 for fiscal year 2023. Of the revenues, \$678,792 was charges for services, and \$6,265,997 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity.

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

**FUND FINANCIAL ANALYSIS**

The following table presents a summary of revenue and expense, excluding transfers, for selected funds (including on-behalf payments). Food service and day care amounts are presented on the accrual basis while general and special revenue funds are on the modified accrual basis:

**For the Year ending June 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	FOOD SERVICE FUND
REVENUES:			
From local sources:			
Taxes:			
Property	\$ 26,490,552	\$ 0	\$ 0
Distilled spirits	266,801	0	0
Motor vehicle	3,621,581	0	0
Utilities	3,852,327	0	0
Unmined minerals	4,198	0	0
Earnings on investments	486,836	61,867	40,925
Tuition	92,611	0	0
Other local revenues	150,546	387,661	10,787
Intergovernmental - state	57,299,878	3,955,223	421,551
Intergovernmental - federal	387,287	16,891,751	5,843,557
Gain/(Loss) on asset disposal	0	0	0
Lunchroom sales	0	0	14,799
Day care revenue	0	0	0
TOTAL REVENUES	92,652,617	21,296,502	6,331,619
EXPENDITURES:			
Instruction:	54,184,917	11,163,464	0
Support Services:			
Student	6,784,853	1,393,608	0
Instructional staff	2,855,283	1,285,581	0
District administration	873,680	62,486	0
School administration	8,168,872	921,020	0
Business	2,941,109	1,226,751	0
Plant operations and maintenance	8,003,182	882,460	0
Student transportation	4,569,159	2,568,712	0
Food Service	26,335	140	6,452,048
Day care service	0	757,749	0
Community Service	123,517	822,168	0
Capital outlay	2,915,295	0	0
Debt service	0	0	0
TOTAL EXPENDITURES	91,446,202	21,084,139	6,452,048
Excess (Deficit) of Revenues over Expenditures	\$ 1,206,415	\$ 212,363	\$ (120,429)

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

**For the Year ending June 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	CONSTRUCTION FUND	FOOD SERVICE FUND
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 24,844,660	\$ 0	\$ 0	\$ 0
Distilled spirits	265,748	0	0	0
Motor vehicle	2,889,095	0	0	0
Utilities	2,992,906	0	0	0
Unmined minerals	3,887	0	0	0
Earnings on investments	34,297	3,413	18,648	2,576
Tuition	37,789	0	0	0
Other local revenues	277,159	323,567	0	8,938
Intergovernmental - state	50,798,619	3,427,492	0	359,373
Intergovernmental - federal	285,904	15,535,050	0	6,305,158
Gain/(Loss) on asset disposal	0	0	0	(8,258)
Lunchroom sales	0	0	0	8,278
<b>TOTAL REVENUES</b>	<b>82,430,064</b>	<b>19,289,522</b>	<b>18,648</b>	<b>6,676,065</b>
<b>EXPENDITURES:</b>				
Instruction:	48,878,587	11,528,190	0	0
Support Services:				
Student	5,476,032	1,745,463	0	0
Instructional staff	2,556,783	1,578,763	0	0
District administration	800,543	43,563	0	0
School administration	7,557,089	426,693	0	0
Business	3,117,928	1,041,701	0	0
Plant operations and maintenance	7,344,029	853,268	0	0
Student transportation	6,637,077	64,530	0	0
Food Service	3	28,514	0	5,062,398
Day care service	0	460,597	0	0
Community Service	118,168	652,484	0	0
Non-instructional	5,750	0	95	0
Capital outlay	133,400	0	12,623,261	0
<b>TOTAL EXPENDITURES</b>	<b>82,625,389</b>	<b>18,423,766</b>	<b>12,623,356</b>	<b>5,062,398</b>
Excess (Deficit) of Revenues over Expenditures	\$ (195,325)	\$ 865,756	\$ (12,604,708)	\$ 1,613,667

**Debt**

At June 30, 2023, the School District had \$107,123,611 in bond debt outstanding, less a discount of \$591,287; of this amount \$1,848,474 is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$6,494,490 is due within one year.

**Capital Assets**

The Board added \$9,371,513 in new governmental assets during the year, primarily for Rosenwald Dunbar Elementary School renovation, chiller replacement at East High & West Middle, and track resurfacing at East & West Track facilities.

**Comments on Budget Comparisons**

General fund budget compared to actual revenue varied from line item to line item with the ending actual revenues being \$8,464,316 more than budget. General fund budget compared to actual expenditures varied from line item to line item with the ending actual expenditures being \$1,167,852 more than budget. The District's total general fund revenues for the fiscal year ended June 30, 2023, before interfund transfers and proceeds from the sale of assets, was \$92,652,617, an increase of \$10,222,553 from the total revenues of \$82,430,064 for 2022.

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

**FUTURE BUDGETARY IMPLICATIONS**

In Kentucky, the public school fiscal year is July 1 through June 30; other programs, i.e. some federal, operate on a different fiscal calendar but are reflected in the District's overall budget. By law the budget must have a minimum 2% contingency. Significant board actions that impacted finances include: 3% certified and 5% classified staff raises.

For Fiscal Year 2022-2023 the Board adopted a 4% increase to the property tax rate from the prior year. Due to increasing property values the rate actually decreased from the prior tax year. The additional tax revenue will help to offset Board approved staff raises and planning for loss in SEEK funding due to decreased enrollment due to covid-19.

The CERS retirement employer rate decreased this year to 26.79%. The KTRS retirement employer contribution to the retiree medical insurance fund is 3.00% and federally funded employees 16.105% as mandated. Federal Programs Health Insurance/Life Insurance reimbursements to the State of Kentucky are included in the District's budget.

Jessamine County Schools continues to see limited state revenue growth, so we have looked for innovative ways to generate additional revenue or reduce expenditures. During this fiscal year we utilized our Federal ESSER dollars to help offset additional expenses related to COVID-19 plus increased utility, supplies, and material costs due to inflation. We continue to employ more staff than prior years to help combat loss learning, provide targeted learning opportunities, and to help students with social and emotional needs. JCS plan is to continue with these additional supports through FY2024. Our efforts, along with our student centered budgeting process, plus the additional Federal dollars have created budget stability for Jessamine County Schools.

Questions regarding this report should be directed to Tammy Taylor, Internal Auditor, (859) 885-4179, email: [tammy.taylor@jessamine.kyschools.us](mailto:tammy.taylor@jessamine.kyschools.us), or Jason U'Wren, Chief Financial & Facilities Officer, email: [jason.uwren@jessamine.kyschools.us](mailto:jason.uwren@jessamine.kyschools.us), or by mail at Jessamine County Schools, 871 Wilmore Road, Nicholasville, KY 40356.

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

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 21,231,140	\$ 2,367,825	\$ 23,598,965
Investments	4,719,169	-	4,719,169
Accounts receivable			
Taxes	1,015,683	-	1,015,683
Accounts	111,189	36,106	147,295
Intergovernmental - Federal	1,004,667	-	1,004,667
Prepaid assets	554,569	-	554,569
Inventory	-	62,303	62,303
<b>Total Current Assets</b>	<u>28,636,417</u>	<u>2,466,234</u>	<u>31,102,651</u>
<b>Noncurrent Assets</b>			
Non-depreciated capital assets	23,578,576	-	23,578,576
Net depreciated capital assets	137,368,241	523,434	137,891,675
<b>Total Noncurrent Assets</b>	<u>160,946,817</u>	<u>523,434</u>	<u>161,470,251</u>
<b>TOTAL ASSETS</b>	<u>189,583,234</u>	<u>2,989,668</u>	<u>192,572,902</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension - CERS	8,215,253	400,117	8,615,370
OPEB - CERS	4,628,429	308,625	4,937,054
OPEB - KTRS	13,932,556	-	13,932,556
Deferred gain/loss on bond refinance	1,220,128	-	1,220,128
<b>Total deferred outflow of resources</b>	<u>27,996,366</u>	<u>708,742</u>	<u>28,705,108</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Accounts payable	1,082,486	118,356	1,200,842
Current portion of bond obligations	6,494,490	-	6,494,490
Current portion of accrued sick leave	193,047	-	193,047
Accrued payroll	4,742,730	-	4,742,730
Accrued interest payable	618,352	-	618,352
Unearned revenues	2,360,962	-	2,360,962
<b>Total Current Liabilities</b>	<u>15,492,067</u>	<u>118,356</u>	<u>15,610,423</u>
<b>Noncurrent Liabilities</b>			
Noncurrent portion of bond obligations	100,629,121	-	100,629,121
Net pension liability - CERS	31,907,566	1,374,957	33,282,523
Net OPEB liability - CERS	8,721,499	363,433	9,084,932
Net OPEB liability - KTRS	21,339,000	-	21,339,000
Noncurrent portion of accrued sick leave	780,678	-	780,678
<b>Total Noncurrent Liabilities</b>	<u>163,377,864</u>	<u>1,738,390</u>	<u>165,116,254</u>
<b>TOTAL LIABILITIES</b>	<u>178,869,931</u>	<u>1,856,746</u>	<u>180,726,677</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension - CERS	3,929,924	325,482	4,255,406
OPEB - CERS	4,457,048	358,159	4,815,207
OPEB - KTRS	9,092,000	-	9,092,000
<b>Total deferred inflow of resources</b>	<u>17,478,972</u>	<u>683,641</u>	<u>18,162,613</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	55,043,334	523,434	55,566,768
Restricted			
Capital projects (expendable)	5,009,968	-	5,009,968
Other purposes	556,331	1,281,196	1,837,527
Unrestricted	(39,378,936)	(646,607)	(40,025,543)
<b>TOTAL NET POSITION</b>	<u>\$ 21,230,697</u>	<u>\$ 1,158,023</u>	<u>\$ 22,388,720</u>

See Accompanying Notes to the Financial Statements

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities:							
Instructional	\$ 75,932,516	\$ 184,386	\$ 17,369,669	\$ -	\$ (58,378,461)	\$ -	\$ (58,378,461)
Support Services:							
Student	8,909,794	-	-	-	(8,909,794)	-	(8,909,794)
Instructional staff	4,526,448	-	-	-	(4,526,448)	-	(4,526,448)
District administration	997,678	-	-	-	(997,678)	-	(997,678)
School administration	9,875,813	-	-	-	(9,875,813)	-	(9,875,813)
Business	4,285,205	-	-	-	(4,285,205)	-	(4,285,205)
Plant operations and maintainance	9,480,697	-	-	-	(9,480,697)	-	(9,480,697)
Student transportation	7,752,795	-	-	-	(7,752,795)	-	(7,752,795)
Food service	26,475	-	-	-	(26,475)	-	(26,475)
Day care	765,705	-	-	-	(765,705)	-	(765,705)
Community services	978,418	-	-	-	(978,418)	-	(978,418)
Interest on long-term debt	3,154,417	-	-	234,435	(2,919,982)	-	(2,919,982)
Total Governmental Activities	<u>126,685,961</u>	<u>184,386</u>	<u>17,369,669</u>	<u>234,435</u>	<u>(108,897,471)</u>	<u>-</u>	<u>(108,897,471)</u>
Business Type Activities:							
Food Service	6,452,048	25,586	6,265,108	-	-	(161,354)	(161,354)
Child Care	70,636	616,358	889	-	-	546,611	546,611
Arts Plus	30,948	36,848	-	-	-	5,900	5,900
Total Business Type Activities	<u>6,553,632</u>	<u>678,792</u>	<u>6,265,997</u>	<u>-</u>	<u>-</u>	<u>391,157</u>	<u>391,157</u>
Total Primary Government	<u>\$ 133,239,593</u>	<u>\$ 863,178</u>	<u>\$ 23,635,666</u>	<u>\$ 234,435</u>	<u>\$ (108,897,471)</u>	<u>\$ 391,157</u>	<u>\$ (108,506,314)</u>
			General Revenues:				
			Taxes:				
			Property	\$ 35,114,847	\$ -	\$ 35,114,847	
			Motor vehicle	3,621,581	-	3,621,581	
			Utilities	3,852,327	-	3,852,327	
			Other	270,999	-	270,999	
			State and formula grants	73,327,099	-	73,327,099	
			Interest and investment earnings	760,518	41,525	802,043	
			Other local revenues	2,029,981	-	2,029,981	
			Gain/(loss) on sale of assets	108,906	-	108,906	
			Transfers	572,970	(572,970)	-	
			Total General Revenues and Transfers	<u>119,659,228</u>	<u>(531,445)</u>	<u>119,127,783</u>	
			Change in Net Position	10,761,757	(140,288)	10,621,469	
			Net Position - beginning of year	10,468,940	1,298,311	11,767,251	
			Net Position - end of year	<u>\$ 21,230,697</u>	<u>\$ 1,158,023</u>	<u>\$ 22,388,720</u>	

See Accompanying Notes to the Financial Statements

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

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 14,011,194	\$ 1,486,387	\$ 5,733,559	\$ 21,231,140
Investments	4,719,169	-	-	4,719,169
Interfund receivable	1,204	-	-	1,204
Accounts receivable				
Taxes	1,015,683	-	-	1,015,683
Accounts	111,189	-	-	111,189
Intergovernmental - Federal	-	1,004,667	-	1,004,667
Prepaid assets	554,569	-	-	554,569
<b>TOTAL ASSETS</b>	<b>\$ 20,413,008</b>	<b>\$ 2,491,054</b>	<b>\$ 5,733,559</b>	<b>\$ 28,637,621</b>
<b>LIABILITIES:</b>				
Interfund payable	\$ -	\$ 1,204	\$ -	\$ 1,204
Accounts payable	957,542	124,944	-	1,082,486
Accrued payroll	4,742,730	-	-	4,742,730
Unearned revenue	-	2,360,962	-	2,360,962
<b>TOTAL LIABILITIES</b>	<b>5,700,272</b>	<b>2,487,110</b>	<b>-</b>	<b>8,187,382</b>
<b>FUND BALANCES:</b>				
Restricted	-	3,944	5,562,355	5,566,299
Committed	486,862	-	171,204	658,066
Assigned	287,028	-	-	287,028
Nonspendable	554,569	-	-	554,569
Unassigned	13,384,277	-	-	13,384,277
<b>TOTAL FUND BALANCES</b>	<b>14,712,736</b>	<b>3,944</b>	<b>5,733,559</b>	<b>20,450,239</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 20,413,008</b>	<b>\$ 2,491,054</b>	<b>\$ 5,733,559</b>	<b>\$ 28,637,621</b>

See Accompanying Notes to the Financial Statements

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

Total Governmental Fund Balances	\$	20,450,239
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position		
Capital assets		160,946,817
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position		
Deferred loss on refunding		1,220,128
Pension		8,215,253
OPEB		18,560,985
Certain assets (obligations) are not a use of financial resources and therefore, are not reported in the government funds, but are presented in the statement of net position		
Net pension liability		(31,907,566)
Net OPEB liability		(30,060,499)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position		
Pension		(3,929,924)
OPEB		(13,549,048)
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, and accrued interest) are not reported in the fund financial statement because they are not due and payable, but are presented in the statement of net position		
Bond obligations		(107,123,612)
Accrued interest		(618,352)
Accrued sick leave		(973,725)
		(1,585,689)
Net Position of Governmental Activities	\$	21,230,697

See Accompanying Notes to the Financial Statements

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

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 26,490,552	\$ -	\$ 8,624,295	\$ 35,114,847
Distilled spirits	266,801	-	-	266,801
Motor vehicle	3,621,581	-	-	3,621,581
Utilities	3,852,327	-	-	3,852,327
Unmined minerals	4,198	-	-	4,198
Earnings on investments	486,836	61,867	211,815	760,518
Tuition	92,611	-	91,775	184,386
Other local revenues	150,546	387,661	1,582,405	2,120,612
Intergovernmental - State	57,299,878	3,955,223	4,070,263	65,325,364
Intergovernmental - Federal	387,287	16,891,751	-	17,279,038
<b>TOTAL REVENUES</b>	<u>92,652,617</u>	<u>21,296,502</u>	<u>14,580,553</u>	<u>128,529,672</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:	54,184,917	11,163,464	1,616,424	66,964,805
Support Services:				
Student	6,784,853	1,393,608	-	8,178,461
Instructional staff	2,855,283	1,285,581	92,460	4,233,324
District administration	873,680	62,486	-	936,166
School administration	8,168,872	921,020	-	9,089,892
Business	2,941,109	1,226,751	-	4,167,860
Plant operations and maintainance	8,003,182	882,460	-	8,885,642
Student transportation	4,569,159	2,568,712	-	7,137,871
Food service	26,335	140	-	26,475
Day care	-	757,749	-	757,749
Community Services	123,517	822,168	-	945,685
Capital Outlay	2,915,295	-	6,456,218	9,371,513
Debt service	-	-	9,380,123	9,380,123
<b>TOTAL EXPENDITURES</b>	<u>91,446,202</u>	<u>21,084,139</u>	<u>17,545,225</u>	<u>130,075,566</u>
Excess (Deficit) of Revenues over Expenditures	<u>1,206,415</u>	<u>212,363</u>	<u>(2,964,672)</u>	<u>(1,545,894)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	1,965,424	1,104,914	11,217,061	14,287,399
Operating transfers out	(1,173,146)	(1,425,123)	(11,116,160)	(13,714,429)
Issuance of debt	-	-	-	-
Payments to escrow agents for bond defeasance	-	-	-	-
Bond premium (discount)	-	-	-	-
Proceeds from sale of fixed assets	108,906	-	-	108,906
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>901,184</u>	<u>(320,209)</u>	<u>100,901</u>	<u>681,876</u>
Net Change in Fund Balances	2,107,599	(107,846)	(2,863,771)	(864,018)
Fund balance - beginning of year	<u>12,605,137</u>	<u>111,790</u>	<u>8,597,330</u>	<u>21,314,257</u>
Fund balance - end of yea	<u>\$ 14,712,736</u>	<u>\$ 3,944</u>	<u>\$ 5,733,559</u>	<u>\$ 20,450,239</u>

See Accompanying Notes to the Financial Statements

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

Net Change in Fund Balances - Total Governmental Funds	\$	(864,018)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Deferred losses are expensed as incurred in the fund financial statement, but are amortized over the life of the bond in the statement of activities:</p>		
Amortization deferred loss on refunding		(266,537)
<p>Bond discounts are expensed as incurred in the fund financial statement, but are amortized over the life of the bond in the statement of activities:</p>		
Amortization bond premium/discount		118,601
<p>Capital outlays are reported as expenditures in the fund financial statement because they are current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.</p>		
Capital outlays		9,371,513
Depreciation expense		(3,833,703)
<p>Generally, expenditures recognized in the fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
Accrued interest		61,929
Sick leave		21,979
<p>Governmental funds report pension and OPEB contributions as expenditures when paid. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, and the recognition of changes in deferred outflows and inflows of resources related to pensions, and investment experience.</p>		
KTRS on-behalf revenue		8,251,189
KTRS on-behalf pension expense		(7,425,189)
KTRS on-behalf OPEB expense		(826,000)
Pension expense		128,343
OPEB expense		(288,318)
<p>Bond and lease payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position.</p>		
		6,311,968
Change in Net Position of Governmental Activities	\$	10,761,757

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Favorable (Unfavorable)
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 24,103,243	\$ 26,150,000	\$ 26,490,552	\$ 340,552
Distilled spirits	230,000	240,000	266,801	26,801
Motor vehicle	2,200,000	2,900,000	3,621,581	721,581
Utilities	2,800,000	3,000,000	3,852,327	852,327
Unmined minerals	3,000	3,000	4,198	1,198
Tuition and fees	70,000	70,000	486,836	416,836
Earnings on investments	50,000	50,000	92,611	42,611
Other local revenues	216,202	201,284	150,546	(50,738)
Intergovernmental - State	49,468,948	51,374,017	57,299,878	5,925,861
Intergovernmental - Federal	60,000	200,000	387,287	187,287
<b>TOTAL REVENUES</b>	<u>79,201,393</u>	<u>84,188,301</u>	<u>92,652,617</u>	<u>8,464,316</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:	50,103,076	50,753,590	54,326,194	(3,572,604)
Support Services:				
Student	5,634,518	5,750,416	6,784,853	(1,034,437)
Instructional staff	2,804,498	3,004,881	2,855,283	149,598
District administration	989,671	1,063,930	873,680	190,250
School administration	7,709,602	8,092,293	8,168,872	(76,579)
Business	3,825,952	4,738,760	2,941,109	1,797,651
Plant operations and maintenance	7,695,270	8,506,080	8,238,622	267,458
Student transportation	7,448,177	8,191,847	7,107,737	1,084,110
Food service	100,000	52,670	26,335	26,335
Community Services	116,173	123,883	123,517	366
Non-instructional	2,273,453	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>88,700,390</u>	<u>90,278,350</u>	<u>91,446,202</u>	<u>(1,167,852)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(9,498,997)</u>	<u>(6,090,049)</u>	<u>1,206,415</u>	<u>7,296,464</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	2,523,703	1,344,864	1,965,424	620,560
Operating transfers out	(622,175)	(1,396,622)	(1,173,146)	223,476
Proceeds from Sale of Assets	-	1,376	108,906	107,530
Contingency	(4,500,000)	(5,999,720)	-	5,999,720
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>(2,598,472)</u>	<u>(6,050,102)</u>	<u>901,184</u>	<u>6,951,286</u>
Net Change in Fund Balances	(12,097,469)	(12,140,151)	2,107,599	14,247,750
Fund balance - beginning of year	<u>12,097,469</u>	<u>12,140,151</u>	<u>12,605,137</u>	<u>464,986</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,712,736</u>	<u>\$ 14,712,736</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	SPECIAL REVENUE FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE Favorable (Unfavorable)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
From local sources:				
Earnings on investments	\$ 974	\$ 12,072	\$ 61,867	\$ 49,795
Other local revenues	64,157	108,745	387,661	278,916
Intergovernmental - State	4,321,135	4,371,971	3,955,223	(416,748)
Intergovernmental - Federal	5,679,021	5,913,251	16,891,751	10,978,500
<b>TOTAL REVENUES</b>	<u>10,065,287</u>	<u>10,406,039</u>	<u>21,296,502</u>	<u>10,890,463</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:	7,630,762	10,023,756	11,163,464	(1,139,708)
Support Services:				
Student	947,551	350,146	1,393,608	(1,043,462)
Instructional staff	1,367,206	1,502,772	1,285,581	217,191
District administration	-	-	62,486	(62,486)
School administration	206,006	851,874	921,020	(69,146)
Business	1,737,772	2,474,981	1,226,751	1,248,230
Plant operations and maintenance	-	-	882,460	(882,460)
Student transportation	-	200,000	2,568,712	(2,368,712)
Food service	-	-	140	(140)
Day care	(100,877)	60,000	757,749	(697,749)
Community services	659,687	735,282	822,168	(86,886)
Non-instructional		133	-	133
<b>TOTAL EXPENDITURES</b>	<u>12,448,107</u>	<u>16,198,944</u>	<u>21,084,139</u>	<u>(4,885,195)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(2,382,820)</u>	<u>(5,792,905)</u>	<u>212,363</u>	<u>6,005,268</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	436,122	(168,286)	1,104,914	1,273,200
Operating transfers out	(228,996)	16,597	(1,425,123)	(1,441,720)
Contingency	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>207,126</u>	<u>(151,689)</u>	<u>(320,209)</u>	<u>(168,520)</u>
Net Change in Fund Balances	(2,175,694)	(5,944,594)	(107,846)	5,836,748
Fund balance - beginning of year	-	-	111,790	111,790
Fund balance - end of year	<u>\$ (2,175,694)</u>	<u>\$ (5,944,594)</u>	<u>\$ 3,944</u>	<u>\$ 5,948,538</u>

See Accompanying Notes to the Financial Statements

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

	FOOD SERVICE FUND	NON-MAJOR DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	TOTAL PROPRIETARY FUNDS
<b>ASSETS:</b>				
Current Assets				
Cash and cash equivalents	\$ 1,512,831	\$ 820,778	\$ 34,216	\$ 2,367,825
Accounts receivable	36,106	-	-	36,106
Inventory	62,303	-	-	62,303
Total Current Assets	<u>1,611,240</u>	<u>820,778</u>	<u>34,216</u>	<u>2,466,234</u>
Noncurrent Assets				
Machinery & equipment	1,810,997	-	-	1,810,997
Accumulated depreciation	<u>(1,287,563)</u>	<u>-</u>	<u>-</u>	<u>(1,287,563)</u>
Total Noncurrent Assets	<u>523,434</u>	<u>-</u>	<u>-</u>	<u>523,434</u>
<b>TOTAL ASSETS</b>	<u>2,134,674</u>	<u>820,778</u>	<u>34,216</u>	<u>2,989,668</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension Plan - CERS	379,523	20,594	-	400,117
OPEB - CERS	<u>246,786</u>	<u>61,839</u>	<u>-</u>	<u>308,625</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>626,309</u>	<u>82,433</u>	<u>-</u>	<u>708,742</u>
<b>LIABILITIES:</b>				
Current Liabilities				
Accounts payable	<u>114,537</u>	<u>519</u>	<u>3,300</u>	<u>118,356</u>
Noncurrent Liabilities				
Net pension liability - CERS	1,049,629	325,328	-	1,374,957
Net OPEB liability - CERS	<u>249,570</u>	<u>113,863</u>	<u>-</u>	<u>363,433</u>
Total Noncurrent Liabilities	<u>1,299,199</u>	<u>439,191</u>	<u>-</u>	<u>1,738,390</u>
<b>TOTAL LIABILITIES</b>	<u>1,413,736</u>	<u>439,710</u>	<u>3,300</u>	<u>1,856,746</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Plan - CERS	322,280	3,202	-	325,482
OPEB - CERS	<u>334,698</u>	<u>23,461</u>	<u>-</u>	<u>358,159</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>656,978</u>	<u>26,663</u>	<u>-</u>	<u>683,641</u>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	523,434	-	-	523,434
Restricted	1,281,196	-	-	1,281,196
Unrestricted	<u>(1,114,361)</u>	<u>436,838</u>	<u>30,916</u>	<u>(646,607)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 690,269</u>	<u>\$ 436,838</u>	<u>\$ 30,916</u>	<u>\$ 1,158,023</u>

See Accompanying Notes to the Financial Statements

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

	FOOD SERVICE FUND	NON-MAJOR DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	TOTAL PROPRIETARY FUNDS
<b>OPERATING REVENUES:</b>				
Lunchroom sales	\$ 14,799	\$ -	\$ -	\$ 14,799
Other operating revenues	10,787	616,358	36,848	663,993
<b>TOTAL OPERATING REVENUES</b>	<b>25,586</b>	<b>616,358</b>	<b>36,848</b>	<b>678,792</b>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	1,689,739	4,033	5,250	1,699,022
Employee benefits	1,062,190	1,426	254	1,063,870
Contract services	182,705	19,748	21,423	223,876
Materials and supplies	3,447,814	32,002	4,021	3,483,837
Property	779	5,345	-	6,124
Miscellaneous	19,321	8,082	-	27,403
Depreciation	49,500	-	-	49,500
<b>TOTAL OPERATING EXPENSES</b>	<b>6,452,048</b>	<b>70,636</b>	<b>30,948</b>	<b>6,553,632</b>
Operating income (loss)	(6,426,462)	545,722	5,900	(5,874,840)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Federal grants	5,453,861	-	-	5,453,861
Federal commodities	389,696	-	-	389,696
State grants	421,551	889	-	422,440
Gain (Loss) on sale	-	-	-	-
Interest income	40,925	-	600	41,525
<b>NON-OPERATING REVENUES (EXPENSES)</b>	<b>6,306,033</b>	<b>889</b>	<b>600</b>	<b>6,307,522</b>
Net income (loss) before operating transfers	(120,429)	546,611	6,500	432,682
Operating transfers	(351,352)	(221,618)	-	(572,970)
Change in net position	(471,781)	324,993	6,500	(140,288)
Total net position - beginning of year	1,162,050	111,845	24,416	1,298,311
<b>Total net position - end of year</b>	<b>\$ 690,269</b>	<b>\$ 436,838</b>	<b>\$ 30,916</b>	<b>\$ 1,158,023</b>

See Accompanying Notes to the Financial Statements

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

	FOOD SERVICE FUND	NON-MAJOR DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	TOTAL PROPRIETARY FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 59,848	\$ 616,358	\$ 36,848	\$ 713,054
Cash paid to suppliers	(3,241,237)	(64,658)	(23,005)	(3,328,900)
Cash paid to employees	(2,322,228)	(4,434)	(5,504)	(2,332,166)
Net Cash Provided (Used) by Operating Activities	(5,503,617)	547,266	8,339	(4,948,012)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers	(351,352)	(221,618)	-	(572,970)
Governmental grants	5,503,296	-	-	5,503,296
Net Cash Provided (Used) by Noncapital Activities	5,151,944	(221,618)	-	4,930,326
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(264,716)	-	-	(264,716)
Loss on disposal	-	-	-	-
Net Cash Provided (Used) by Financing Activities	(264,716)	-	-	(264,716)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	40,925	-	600	41,525
Net Cash Provided (Used) by Investing Activities	40,925	-	600	41,525
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(575,464)	325,648	8,939	(240,877)
<b>Cash and cash equivalents - beginning of year</b>	2,088,295	495,130	25,277	2,608,702
<b>Cash and cash equivalents - end of year</b>	\$ 1,512,831	\$ 820,778	\$ 34,216	\$ 2,367,825
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (6,426,462)	\$ 545,722	\$ 5,900	\$ (5,874,840)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Federal commodities	389,696	-	-	389,696
On-behalf payments	372,116	889	-	373,005
Depreciation	49,500	-	-	49,500
Changes in Assets and Liabilities:				
Accounts Receivable	34,262	-	-	34,262
Inventory	131,681	-	-	131,681
Deferred outflows	(377,492)	(902)	-	(378,394)
Accounts payable	(111,995)	519	2,439	(109,037)
Deferred inflows	(119,236)	(285)	-	(119,521)
Net pension liability	494,285	1,180	-	495,465
Net OPEB liability	60,028	143	-	60,171
Net Cash Provided (Used) by Operating Activities	\$ (5,503,617)	\$ 547,266	\$ 8,339	\$ (4,948,012)
<b>Schedule of non-cash transactions:</b>				
Donated commodities received from federal government	\$ 389,696	\$ -	\$ -	\$ 389,696
On-behalf payments	\$ 372,116	\$ 889	\$ -	\$ 373,005

See Accompanying Notes to the Financial Statements

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

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

The accounting policies of Jessamine County School District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental entities in the United States of America. U. S. governmental accounting standards are established by the Governmental Accounting Standards Board (GASB) for state and local governmental entities. The following discussion is a summary of the more significant accounting policies that apply to the District.

**Reporting Entity**

The Jessamine County Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Jessamine County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, 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 the funds and account groups relevant to the operation of the Jessamine County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which, although associated with the school system, have not originated within the Board itself, such as Boosters Clubs, Parent-Teacher Associations, Site-Based Decision-Making Councils, and Family Resource Centers. Student organizations are blended into the Student Activity fund, a Special Revenue fund in accordance with GASBS No. 84, *Fiduciary Funds* and KDE policy.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board. Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

**Blended Component Unit**

**Jessamine County Board of Education Finance Corporation** - In a prior year, the Board resolved to authorize the establishment of the Jessamine County School District Finance Corporation (a non-stock, non-profit corporation organized under School Bond Act and Chapter 273 and KRS 58.180) (the Corporation) as an agency of the District for financing the costs of school building improvements. The Board members of the Jessamine County Board of Education also comprise the corporation's Board of Directors. The Corporation is blended into the District's financial statements.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Basis of Presentation

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

Government-wide Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within the 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all the District's assets and liabilities, including capital assets as well as long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for on the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statements of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District are property tax and utility tax. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The District has the following funds:

I. Governmental Fund Types

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

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

- 1) The Special Revenue Fund includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.
- 2) The District Activity Fund is a special revenue fund used to account for funds collected at individual schools for operation costs of the school or school district that allows for more flexibility in the expenditure of those funds. This is a non-major fund of the District.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- 3) The School Activity Fund is a Special Revenue Fund type and is used to account for activities and programs for athletic, community service, and scholastic organizations managed by each school to benefit student activities. This fund was added in FY 2020 after the District implemented GASBS No. 84, *Fiduciary Activities*. This is a non-major fund of the District.

(C) Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds). The following are Capital Project Funds:

- 1) The Support Education Excellence in Kentucky (SEEK), Fund receives those funds designated by the state as Capital Outlay Funds (unless authorized for retention in the General Fund) and is generally restricted for use in financing capital acquisitions. This is a non-major fund of the District.
- 2) 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 may be used for projects identified in the District's facility plan. This is a non-major fund of the District.
- 3) The Construction Fund accounts for funds from two sources. First, funds generated by sales of bonds issues are used for various construction and renovation projects. Second, proceeds from the sale of properties and equipment owned by the District are to be used at the discretion of the Board for construction projects in future years. This is a non-major fund of the District.

(D) The Debt Service Fund accounts for financial resources used for payment of principal and interest and other debt related costs. This is a non-major fund of the District.

II. Proprietary Fund Types (Enterprise Fund)

(A) The Food Service Fund accounts 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 contribution of commodities from the USDA. The Food Service Fund is a major fund.

(B) The Day Care Fund is used to account for child care revenue and expenditures. The Day Care Fund is a non-major fund.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(C) The Art Plus Fund is used to account for the Art Plus program revenue and expenditures. The Art Plus Fund is a non-major fund.

Basis of Accounting

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

Revenues – Exchange and Non-Exchange 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.

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

Unearned Revenue – Unearned revenue arises when assets are recognized before eligibility criteria other than time requirements have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. Unused donated commodities are also reported as inventory and unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2023, to finance the General Fund operations were \$0.686 per \$100 valuation for real property, \$0.686 per \$100 valuation for business personal property and \$0.547 per \$100 valuation for motor vehicles.

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

Cash and Cash Equivalents

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

Inventory

Inventory consists of food purchased by the District and commodities granted by the United States Department of Agriculture (USDA). The commodities are recognized as revenues and expenditures by the Food Service Fund when consumed. Any material commodities on hand at year end are recorded as inventory. All purchased inventory items are valued at the lower of cost or market (first-in, first-out) using the consumption method and commodities assigned values are based on information provided by the USDA.

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.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Capital Assets (Cont'd)

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 acquisition values as of the date received. The District maintains a capitalization threshold of one thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are expensed.

All reported capital assets, except land and construction-in-progress, are depreciated except for land. 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:

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	12 years
Furniture and fixtures	20 years
Rolling Stock	15 years
Other	10 years

Accumulated Unpaid Sick Leave Benefits

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the amount "accrued sick leave" in the general fund. The non-current portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Budgetary Process

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

- a) Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP) during the year and adjusted to modified accrual for the governmental funds at year-end.
- b) Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP) during the year and adjusted to modified accrual for the governmental funds at year-end.
- c) Capital outlay is budgeted within the departmental budget (budgetary) as opposed to separate classification by character (GAAP).

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end in accordance with state law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year end.

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, accumulated sick leave, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (“CERS”) and Teachers Retirement System of the State of Kentucky (“KTRS”) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the CERS and KTRS, respectively. 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. Both systems publish separate financial statements as described in Note 6.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (“CERS”) and Teachers Retirement System of the State of Kentucky (“KTRS”) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by these multiple-employer cost-sharing OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized by the pension systems when due and payable in accordance with the benefit terms. Investments are reported at fair value by the pension systems. Both systems publish separate financial statements as described in Note 7.

Fund Balances

The District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) for fiscal year 2011 for its governmental funds. Fund balances for each of the District’s governmental funds (General Fund, special revenue funds, capital projects funds, and debt service funds) will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—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. Nonspendable balance at June 30, 2023 include \$554,569 for prepaid assets.
- *Restricted fund balance*—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. Fund balance in the Construction, SEEK Capital Outlay, and FSPK Building funds are restricted for capital projects with a total of \$5,009,968 at June 30, 2023. Fund balance in the Student Activity fund is restricted for student activities with a total of \$552,387 at June 30, 2023. Fund balance in the Special Revenue fund of \$3,944 at June 30, 2023 is restricted for grants.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Fund Balances (Cont'd)

- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the board's highest level of decision-making authority, which is a resolution. At June 30, 2023, The District had committed fund balance for District activities of \$171,204 and Sick Leave Liability of \$486,862.
- *Assigned fund balance*—amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The Board or a delegated entity has the authority to assign amounts to be used for specific purposes. Assigned fund balance in the General and Special Revenue Funds includes amounts that have been appropriated for expenditures in the budget for the District's subsequent fiscal year. As of June 30, 2023, the District assigned \$287,028 for the FY2024 budget.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

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

The District considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Also, the District has established the order of assigned, committed and restricted when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net Position

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by various schools and fees charged for day care services. All other revenues are non-operating. Operating expenses can be tied directly to the production of the goods and services, such as the materials and labor and direct overhead. Other expenses are non-operating.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Interfund Activity

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

Bond Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows- contributions to the CERS and KTRS pension systems after the measurement period, differences between actual and estimated actuarial assumptions in the two pension systems (see Notes 6 and 7), and the unrecognized portion of a deferred loss on the refinancing of long-term debt (see Note 4).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until appropriate period. The District reports one type of deferred inflows- those related to the net differences between projected and actual actuarial assumptions for pension and OPEB plans (see Notes 6 and 7).

Lease Liabilities

The lease liability is recognized at the commencement of the lease term, unless the lease is a short-term lease, below the lease capitalization threshold of \$5,000, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives) based on a borrowing rate specified in the contract or implicit rate.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The lease term includes the noncancelable period of the lease and extensions the District is reasonably certain to exercise. The District monitors changes in circumstances that are expected to significantly affect the amount of a lease liability that may require a remeasurement of its lease.

New Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. This standard will require similar recognition for right-to-use subscription intangible assets and a corresponding subscription liability that is provided for long-term leases in GASBS No. 87. The District reviewed its current IT subscription services and implemented the standard in the current year. Further details of the implementation are outlined in Note 19.

In June 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, that will be effective for these types of changes in fiscal years beginning after June 15, 2023. The District will apply this guidance, when appropriate.

In June 2023, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023 (the District's 2025 fiscal year). This standard revises some definitions for compensated absences and consolidates guidance for all types of leave to a single accounting recognition. This standard is not likely to have a material effect on the District's financial statements since they only provide one type of leave that is already recognized using the principles in GASBS No. 101.

**NOTE 2 - CASH AND INVESTMENTS**

Deposits and Investments

The Kentucky Revised Statutes authorize the District to invest money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security obligations, as permitted by KRS 41.240 (4), having a current quoted market value at least equal to uninsured deposits. As of June 30, 2023, the District's investments consisted of the following:

<b>Governmental Activities:</b>	<u>Cost</u>	<u>Fair Value</u>
Federal Home Loan Bank	\$1,268,635	\$1,266,108
United States Treasury	\$3,273,812	\$3,338,628

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

**NOTE 2 - CASH AND INVESTMENTS (Cont'd)**

Cash and Cash Equivalents

The Kentucky Revised Statutes authorize the District to invest money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security obligations, as permitted by KRS 41.240 (4), having a current quoted market value at least equal to uninsured deposits. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

At year end, the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC Insurance. At year end, the carrying amount of the District's cash and cash equivalents was \$23,598,965. The bank balance for the same time was \$24,432,136. Due to the nature of the accounts and limitations imposed by the purposes of the various funds, all cash balances are considered to be restricted except for the General Fund.

**NOTE 3 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Capital Assets not being depreciated:				
Land	\$6,127,939	\$0	\$0	\$6,127,939
Construction in Progress	50,833,822	6,456,219	39,839,403	17,450,637
Total Capital Assets not being depreciated	<u>56,961,761</u>	<u>6,456,219</u>	<u>39,839,403</u>	<u>23,578,576</u>
Other Capital Assets				
Land Improvements	3,172,106	0	0	3,172,106
Buildings & Improvements	162,371,417	39,662,661	0	202,034,078
Technological Equipment	1,056,565	141,277	132,826	1,065,016
Vehicles	7,935,316	2,538,578	474,835	9,999,059
General Equipment	1,275,210	412,182	43,613	1,643,779
Total Other Assets	<u>175,810,614</u>	<u>42,754,698</u>	<u>651,274</u>	<u>217,914,038</u>
Less accumulated depreciation for:				
Land Improvements	3,150,579	2,511	0	3,153,090
Buildings & Improvements	66,794,862	3,216,246	0	70,011,108
Technological Equipment	786,341	87,200	132,826	740,715
Vehicles	5,561,809	481,093	474,835	5,568,067
General Equipment	1,069,778	46,654	43,613	1,072,819
Total accumulated depreciation	<u>77,363,369</u>	<u>3,833,703</u>	<u>651,274</u>	<u>80,545,798</u>
Other Capital Assets, net	<u>98,447,247</u>	<u>38,920,995</u>	<u>0</u>	<u>137,368,241</u>
Governmental Activities, net	<u>\$155,409,008</u>	<u>\$45,377,213</u>	<u>\$39,839,403</u>	<u>\$160,946,818</u>

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

**NOTE 3 - CAPITAL ASSETS (cont'd)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Technological Equipment	\$21,720	\$0	\$0	\$21,720
General Equipment	1,548,107	264,716	23,546	1,789,277
Total	<u>1,569,827</u>	<u>264,716</u>	<u>23,546</u>	<u>1,810,997</u>
Less accumulated depreciation for:				
Technological Equipment	11,366	932	0	12,298
General Equipment	1,250,243	48,568	23,546	1,275,265
Total accumulated depreciation	<u>1,261,609</u>	<u>49,500</u>	<u>23,546</u>	<u>1,287,563</u>
Business Activities, net	<u>\$308,218</u>	<u>\$215,216</u>	<u>\$0</u>	<u>\$523,434</u>

Depreciation expense was charged to functions of the governmental activities of the District as follows:

<b>Governmental Activities:</b>	
Instruction	\$2,775,910
Support Services:	
Student	15,286
District Administration	40,851
School Administration	72,962
Business Support	5,153
Plant Operations & Maintenance	483,378
Student Transportation	440,163
Total depreciation expense, governmental activities	<u>\$3,833,703</u>

**NOTE 4 – LONG-TERM DEBT AND LEASE OBLIGATIONS**

Bonds

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

In connection with the school revenue bonds issued after May 1, 1996, the District entered into "Participation agreements" with the School Facility Construction Commission. 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.

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

**NOTE 4 - LONG-TERM DEBT AND LEASE OBLIGATIONS (cont'd)**

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

Issue	Proceeds	Rates	Maturity Dates	Outstanding Balance June 30, 2023
2012QZAB	4,248,592	1.19%	4/1/2032	2,024,898
2013	3,350,000	0.65% - 2.10%	5/1/2027	420,000
2014A	7,375,000	2.00% - 3.50%	8/1/2029	5,655,000
2014B	8,470,000	2.00% - 3.50%	9/1/2034	7,840,000
2014C	14,645,000	2.00% - 3.50%	2/1/2025	1,500,000
2015	14,925,000	2.00% - 3.50%	2/1/2026	8,285,000
2016R	18,420,000	1.00% - 2.125%	5/1/2028	8,265,000
2017	5,290,000	3.00% - 3.375%	6/1/2037	3,800,000
2018	6,115,000	3.00% - 3.875%	11/1/2038	6,060,000
2019	30,550,000	3.00% - 3.25%	6/1/2039	30,490,000
2021	14,170,000	2.00%	6/1/2041	14,029,098
2021R	19,170,000	2.00% - 2.20%	8/1/2032	19,345,902
	<u>\$146,728,592</u>			<u>\$107,714,898</u>

The bonds which 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:

Year	Jessamine County School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2024	6,311,863	2,845,665	182,627	51,808	9,391,963
2025	6,349,338	2,673,043	187,705	46,727	9,256,813
2026	6,376,693	2,496,136	192,932	41,501	9,107,262
2027	6,508,822	2,294,217	198,417	36,016	9,037,472
2028	6,655,655	2,139,205	204,229	30,206	9,037,472
2029-2033	33,917,461	8,071,391	724,156	72,724	42,785,732
2034-2038	29,145,367	3,919,126	154,633	6,840	33,225,966
2039-2041	10,601,225	404,628	3,775	123	11,009,751
	<u>\$105,866,424</u>	<u>\$24,843,411</u>	<u>\$1,848,474</u>	<u>\$285,945</u>	<u>\$132,852,431</u>

In prior years the District has refinanced bonds, creating a deferred outflow of resources. The balance as of June 30, 2023 was 1,220,128 with \$266,537 of amortization recognized in the current year.

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

**NOTE 4 - LONG-TERM DEBT AND LEASE OBLIGATIONS (cont'd)**

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds	\$114,026,866	\$0	\$6,311,968	\$107,714,898	\$6,494,490
Net Bond (Discount)/Premium	(472,686)	0	118,601	(591,287)	0
Sick Leave	995,704	100,330	122,309	973,725	193,047
<b>Total</b>	<b>\$114,549,884</b>	<b>\$100,330</b>	<b>\$6,552,878</b>	<b>\$108,097,336</b>	<b>\$6,687,537</b>

**NOTE 5 - COMMITMENTS UNDER SHORT-TERM LEASES**

Commitments under short-term lease agreements for office equipment provided for the minimum future rental payments as of June 30, 2023 are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2024	\$2,594

Expenditures for equipment under short-term leases for the year ended June 30, 2023 totaled \$3,263.

During analysis of the implementation of GASB 87 (See Note 1) it was determined the District only had leases for the short-term agreements that meet the provisions of GASBS No. 87, paragraph 16. Short-term leases are recognized as outflows based on the payment provisions of the contracts.

**NOTE 6 – RETIREMENT PLANS**

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

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

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pensions Authority (KPPA), an agency of the Commonwealth of Kentucky. As of April 1, 2021, Kentucky Revised Statute ("KRS") Section 78.782 shifted the governance of CERS to a separate Board of Trustees of the County Employees Retirement System. The CERS Board manages the CERS trust, including investment management.

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

KPPA provides the day-to-day administration (KRS 61.505) for accounting and benefit administration for CERS. The Kentucky General Assembly has the authority to establish and amend benefit provisions. The Kentucky Public Pensions Authority issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided—CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service.

For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the General Assembly. In 2013, the General Assembly established funding status thresholds which must be achieved before another COLA can be awarded to retirees.

Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components.

Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Employer Contributions – For the year ended June 30, 2023, employer contributions were established by the County Employees Retirement Systems in December 2021. The governing Board establishes employer contribution rates based on the annual actuarial valuation completed in November each year for the fiscal year beginning the following July

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

For fiscal year 2023, the employer contribution rate for CERS nonhazardous pensions was 23.4% and hazardous pensions was 42.81%. In fiscal year 2022, these rates were 22.78% and 35.60%, respectively. Rates for both 2023 and 2022 reflect the adjustments enacted by the Kentucky General Assembly to phase-in the actuarially determined rates. (See Note 7 for additional rate information for the OPEB plans.)

Employee Contributions – Required contributions by the employee are based on the tier:

	<u>NonHazardous</u>	<u>Hazardous</u>
Tier 1	5%	8%
Tier 2	5% + 1% for insurance	8% + 1% for insurance
Tier 3	5% + 1% for insurance	8% + 1% for insurance

*General information about the Teachers’ Retirement System of the State of Kentucky (“TRS of Ky”)*

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

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

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

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years.

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation.

Effective July 1, 2008, the System was amended to change the benefit structure for employees hired on or after that date. Members hired after July 1, 2008, must complete 27 years of service, attain age 60 and 5 years of service, or attain age 55 and 10 years of service. The annual retirement allowance for members hired after July 1, 2008, is 1.7% for 10 years or less of service; 2.0% for 10 -20 years; 2.3% for 20 – 26 years; 2.5% for 26 – 30 years; or 3.0% for more than 30 years of service. 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.

In 2021, the Kentucky General Assembly added a fourth tier to the TRS System. Members hired on or after January 1, 2022, will be eligible for a combined defined benefit and defined contribution plan. The defined benefit portion is based on length of service, final average salary, a multiplier, and the annuity option selected by the member. The defined contribution benefit portion is determined by an account balance funded by mandatory and voluntary contributions and the payment options selected by the member. Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS of Ky also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

TRS provides disability retirement allowance for members who are totally and permanently disabled after completing at least 5 years of service, but less than 27 years. The disability allowance is equal to 60% of the member's final average salary, payable over an entitlement period equal to 25% of the service credited to the member at the date of disability or five years, whichever is longer. If the member is still disabled after the end of the entitlement period, the member receives a service retirement allowance, including additional service credit for the period of disability retirement. This extended allowance will not be less than \$6,000 and is not reduced for retirement prior to age 60 or completion of 27 years of service.

TRS provides a death benefit to a surviving spouse of an active member with less than 10 years of service. This benefit is \$2,880 per year unless the spouse has income from other sources that exceed \$6,600 which will reduce this death benefit to \$2,160 per year. A surviving spouse of an active member with 10 or more years of service is eligible for a death benefit actuarially equivalent to the allowance that the member would have received upon retirement. This benefit will commence on the date the deceased member would have been eligible for the service retirement and is payable during the life of the spouse.

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

Additional benefits are provided for unmarried children under age 18 who are also survivors of the deceased member. If an employee terminates covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

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

Contributions—Contribution rates are established by Kentucky Revised Statutes (KRS). Tiers 1, 2, and 3 non-university employees are required to contribute 9.105% of their salaries to the System for pension benefits. (See OPEB discussion for additional contribution rates.) For the FY22 measurement period, the Commonwealth of Kentucky, as a non-employer contributing entity, paid matching contributions at the rate of 16.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 17.105% for those hired after July 1, 2008, for pension benefits. (See OPEB discussion for additional contribution rates.) The 2020 actuarially determined combined member and state contribution rates for the fiscal year ended June 30, 2023 was 30.665% for non-university members hired before July 1, 2008, and 31.665% for those hired after July 1, 2008. The 2019 actuarially determined combined member and state contribution rates for the fiscal year ended June 30, 2022 was 38.56% for non-university members hired before July 1, 2008, and 39.56% for those hired after July 1, 2008. The Kentucky General Assembly increased the employer contribution in the state's fiscal year 2022 budget to reflect the actuarially determined rates, less the employee contribution.

The mandatory pension contribution for Tier 4 non-university employees hired on or after January 1, 2022, is 11%. Employer rates for Tier 4 are 10%. (See OPEB Note 7 for additional contribution rates.) Those employees may voluntarily contribute an additional amount, not to exceed the earnings on a paycheck.

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

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

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

District's proportionate share of the CERS net pension liability	\$ 33,282,523
Commonwealth's proportionate share of TRS of Ky net pension liability associated with the District	<u>203,576,145</u>
Total	<u>\$ 236,858,668</u>

The net pension liability for each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actuarial liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.460402 percent. For the year ended June 30, 2023, the District recognized a decrease in pension expense of \$142,241 related to CERS and expense of \$18,574,512 related to TRS of Ky. The District also recognized on-behalf revenue of \$27,226,999 for TRS of Ky support provided by the Commonwealth paid directly to TRS of Ky.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 35,583	\$ 296,395
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,528,754	3,675,511
Changes in proportion and differences between District contributions and proportionate share of contributions	939,622	283,500
District contributions subsequent to the measurement date	<u>3,111,410</u>	<u>-</u>
	<u>\$ 8,615,369</u>	<u>\$ 4,255,406</u>

\$3,111,410 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

<b>Fiscal Year Ended June 30:</b>		
2024	\$	176,874
2025	\$	405,883
2026	\$	(279,687)
2027	\$	945,483
2028	\$	0
Thereafter	\$	0

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

	<u>CERS</u>	<u>TRS of Ky</u>
Price inflation	2.30%	2.5%
Cost-of-living adjustment	0.0%	0.0%
Salary increases	3.30% - 10.30%	3.0-7.5%
Investment rate of return	6.25%	7.1%

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

	<u>CERS</u>	<u>TRS of Ky</u>
Inflation	2.30%	2.50%
Payroll growth rate	2.00%	N/A
Cost-of-living adjustment	0.00%	1.5%
Salary Increases-NonHazardous	3.30% - 10.30%	3.0-7.5%
Salary Increases-Hazardous	3.55% - 19.05%	N/A
Investment rate of return	6.25%	7.10%

For CERS, mortality tables used for active members was the PUB-2010 General Mortality table, for the non-hazardous system, and the PUB-2010 Public Safety Mortality table for the Hazardous system, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members and beneficiaries, the mortality table used is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the table used is the 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.

For TRS of Ky, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted Mortality Table projected generationally with MP-2020 and 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.

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

The assumed long-term investment rate of return was changed from 7.50 percent to 7.10 percent and the price inflation assumption was lowered from 3.0 percent to 2.5 percent. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years, at a minimum. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019.

The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates 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 is summarized the table below. The current long-term inflation assumption is 2.3% per annum for both the non-hazardous and hazardous plan.

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

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

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	37.4%	4.2%
Small Cap U.S. Equity	2.6%	4.7%
Developed International Equity	16.5%	5.3%
Emerging Markets Equity	5.5%	5.4%
Fixed Income	15.0%	(0.1)%
High Yield Bonds	2.0%	1.7%
Other Additional Categories	5.0%	2.2%
Real Estate	7.0%	4.0%
Private Equity	7.0%	6.9%
Cash	<u>2.0%</u>	-0.3%
Total	<u>100.0%</u>	

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

For TRS of Ky, the discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. The actuary assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the Actuarially Determined Contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan employees. 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.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 41,599,024	\$ 33,282,523	\$ 26,404,086
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	\$ 0	\$ 0	\$ 0

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

**NOTE 6 – RETIREMENT PLANS (Cont'd)**

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

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, was amended by GASBS No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The GASB standards allow entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan assets and related liabilities for these defined contribution plans from their financial statements. The District therefore does not show these assets and liabilities in this financial statement.

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS**

The District's employees are provided with two OPEB plans, based on each position's college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Teachers Retirement System of Kentucky (TRS of Ky) covers positions requiring teaching certification or otherwise requiring a college degree. 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 advance funded on an actuarially determined basis through the CERS and TRS of Ky plans. The change in governance for CERS discussed in Note 5 for pension plan governance also applies to the CERS OPEB plans. The Kentucky Public Pensions Authority's publicly available financial report includes the CERS OPEB plan reports and may be obtained from <http://kyret.ky.gov/>. TRS of Ky issues a publicly available financial report that can be obtained at [http://www.TRS of Ky.ky.gov/05\\_publications/index.htm](http://www.TRS of Ky.ky.gov/05_publications/index.htm).

**CERS Other Postemployment Benefits**

Plan Description—CERS health insurance benefits are also subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance covered based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium. Hazardous members receive a contribution subsidy for both the member and dependent coverage.

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

Benefits Provided—Percentage of premium subsidies ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive \$10 toward the monthly premium for each full year of service.

Hazardous retirees receive \$15 toward the monthly premium and the hazardous retiree's spouse may also receive this contribution upon the retiree's death. The monthly insurance benefit has been increased annually by a Cost of Living Adjustment (COLA) since July 2004.

Contributions—CERS allocates a portion of the employer contributions to the health insurance benefit plans. CERS allocated 3.39% in FY 2023 and 4.17% in FY 2022 for the actuarially required contribution rate paid by employers for funding the nonhazardous healthcare benefit. Contributions for the hazardous OPEB plan were 6.78% in FY 2023 and 8.73% in FY 2022. In addition, 1% of the Tier 2 and 3 employee contributions are allocated to the health insurance plan for both hazardous and nonhazardous plans. OPEB contribution rates are declining as the funded status for CERS health insurance benefit plans approach 100%.

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

At June 30, 2023, the District reported a liability of \$9,084,932 for its proportionate share of the CERS collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.460343 percent. The District recognized OPEB expense of \$733,009 as the OPEB liability and deferred outflows of resources increased and the related deferred inflows of resources decreased.

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

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

<b>CERS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 914,474	\$ 2,083,386
Changes of assumptions	1,436,845	1,183,952
Net difference between projected and actual earnings on OPEB plan investments	1,691,708	1,322,973
Changes in proportion and differences between District contributions and proportionate share of contributions	324,467	224,897
District contributions subsequent to the measurement date	569,560	-
	<u>\$ 4,937,054</u>	<u>\$ 4,815,208</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$569,560 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

**Year ended June 30:**

2024	(\$11,499)
2025	(\$6,900)
2026	(\$526,986)
2027	\$97,671
2028	\$0
Thereafter	\$0

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

Investment rate of return	6.25%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.30% - 10.30%, for non-hazardous, depending on years of service 3.55% to 19.05%, for hazardous, depending on years of service
Inflation rate	2.30%
Healthcare cost trend rates:	
Under 65	Initial trend starting at 6.25%, January 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Ages 65 and Older	Initial trend starting at 5.50%, January 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Municipal Bond Index Rate	1.92%
Discount Rate	5.20% non-hazardous and 5.05% hazardous

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

Mortality rates for active members were based on the PUB-2010 General Mortality table, for the nonhazardous members and the PUB-2010 Public Safety Mortality table for the hazardous members, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. Post-retirement mortality rates (non-disabled) used 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 PUB-2010 Disabled Mortality Table is used for post-retirement mortality for disabled retirees 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.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019. The investment return, price inflation, and payroll growth assumption were adopted by the Board in May 2022 for use with the June 30, 2022 valuation in order to reflect future economic expectations.

The long-term expected rate of return on OPEB plan investments was determined 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 class are summarized in the table below.

However, the expected returns in the following table are based on ten-year yields developed by the investment consultant based on their capital market analysis prior to the impact of COVID.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Ten-Year Expected Real Rate of Return</u>
<b>Growth:</b>	<b>68.50%</b>	
U. S. Equity	21.75%	5.70%
International Equity	21.75%	6.35%
Private Credit	10.00%	9.70%
High Yield Credit	15.00%	2.80%
<b>Liquidity:</b>	<b>11.50%</b>	
Core Bonds	10.00%	0.00%
Cash	1.50%	-0.60%
<b>Diversifying Strategies:</b>	<b>20.00%</b>	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	N/A
Real Return	<u>10.00%</u>	4.55%
Total	<u>100.00%</u>	
<b>Expected Real Return</b>		<b>5.00%</b>
<b>Long Term Inflation Assumption</b>		<b><u>2.30%</u></b>
<b>Expected Nominal Return for Portfolio</b>		<b><u>7.30%</u></b>

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

*Discount rate* – The single discount rate of 5.20% for CERS nonhazardous and 5.05% for CERS hazardous was used to measure the total OPEB liability as of June 30, 2022. The Single discount rate is based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2022. Future contributions are projected in accordance with the current funding policy mandated in Ky Revised Statutes 61.565, as amended, which includes the requirement that each participating employer in the System contribute the actuarially determined contribution rate, which is determined using a closed funding period (24 years as of June 30, 2022) and the actuarial assumptions and methods adopted by the Board of Trustees. Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system.

However, the cost associated with the implicit employer subsidy for non-Medicare retirees is not currently included in the calculation of the System’s actuarial determined contributions and any cost associated with the implicit subsidy is not paid out of the System’s trust. The implicit rate subsidy is paid by the Commonwealth of Kentucky self-insurance fund, Kentucky Employees Health Plan. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The following table presents the District’s proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.20%, as well as what the District’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease		Current Discount Rate		1% Increase
CERS	4.70%		5.70%		6.70%
District's proportionate share of net OPEB liability	\$ 12,145,105	\$	9,084,932	\$	6,555,188

*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 were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease		Current Health Care Trend Rate		1% Increase
CERS					
District's proportionate share of net OPEB liability	\$ 6,754,445	\$	9,084,932	\$	11,883,407

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

The Kentucky Public Pensions Authority's publicly available financial report includes financial reports for the CERS OPEB plans and may be obtained from <http://kyret.ky.gov/>.

**TRS of Ky POST-EMPLOYMENT HEALTH CARE BENEFITS**

The Commonwealth of Kentucky (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 of Ky Medical Insurance and Life Insurance Plans in a special funding situation for local school districts. Local school districts include a proportionate share of the liability, deferred outflows of resources and deferred inflows of resources, and expenses for the cost-sharing medical insurance plan.

Plan description—In addition to the pension benefits described in Note 6, KRS 161.675 requires TRS of Ky to provide post-employment healthcare benefits to eligible employees and dependents. The TRS of Ky Medical Insurance Fund is a cost-sharing multiple-employer defined benefit plan. Changes made to the medical plan may be made by the TRS of Ky Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

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

Contributions—KRS 161.540 requires non-university members to contribute 3.75% to fund the post-retirement healthcare benefit, including members in Tier 4 hired after January 1, 2022. The Commonwealth of Kentucky contributes three quarters percent (.75%) from state appropriation and local school district employers contribute three percent (3.00%). In addition, the state contributes 1.57% for the cost of health insurance for retirees who are not eligible for Medicare. The total member and employer actuarially determined contribution based on the 2021 valuation was 4.62% for school district employees. The FY 22 difference between the total contributions and actuarially determined contribution (4.45%) was applied to reduce the unfunded actuarial accrued liability. The FY21 total member and employer actuarially determined contribution rate was 4.64% and 4.44% (the excess payment) was applied to the unfunded actuarial accrued liability.

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

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

At June 30, 2023, the District reported a liability of \$21,339,000 for its proportionate share of the collective net OPEB liability for medical insurance.

The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.859574 percent.

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	\$ 21,339,000
State's proportionate share of the net OPEB liability associated with the District	<u>7,010,000</u>
Total	<u>\$ 28,349,000</u>

For the fiscal year ended June 30, 2023, the District recognized a decrease in OPEB expense of \$373,070 as the liability decreased, deferred outflows and inflows of resource increased, and deferred contributions increased. In addition, the District recognized on-behalf revenue and expenses of \$374,685 for support provided by the State as a nonemployer contributing entity.

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

<b>KTRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 8,970,000
Changes of assumptions	4,334,000	-
Net difference between projected and actual earnings on OPEB plan investments	1,134,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,266,000	122,000
District contributions subsequent to the measurement date	<u>1,198,557</u>	<u>-</u>
	<u>\$ 13,932,557</u>	<u>\$ 9,092,000</u>

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,198,557 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:

<b>Year ended June 30:</b>	
2024	\$57,000
2025	\$174,000
2026	\$294,000
2027	\$1,520,000
2028	\$1,152,000
Thereafter	\$445,000

*Actuarial assumptions* – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.1%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 – 7.50%, including inflation
Inflation rate	2.50%
Wage Inflation	2.75%
Single Equivalent Interest Rate	7.10%, net of OPEB Plan investment expense, including inflation
Healthcare cost trend rates	
Under 65	7.0% for FYE 2022 decreasing to an ultimate rate of 4.50% by FY 2032
Ages 65 and Older	5.125% for FYE 2022 decreasing to an ultimate rate of 4.50% by FY 2025
Medicare Part B Premiums	6.97% for FYE 2022 with an ultimate rate of 4.50% by 2034

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the in the June 30, 2021 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 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 health care cost trend assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	5.10 %
Fixed Income	9.0%	(0.10)%
Real Estate	6.5%	4.00 %
Private Equity	8.5%	6.90 %
High Yield Credit	8.0%	1.70 %
Other Additional Categories	9.0%	2.20 %
Cash	<u>1.0%</u>	(0.30)%
Total	<u>100.0%</u>	

*Discount rate* - The discount rate used to measure the total health care OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2021. In addition to the actuarial methods and assumptions of the June 30, 2021 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%
- The pre-65 retiree health care costs for members retired on or after July 1, 2010 were assumed to be paid by either the State or the retirees themselves.
- Administrative expenses, except the administrative fee of \$8 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due and are not considered in the cash flow projections.
- Cash flows occur mid-year.
- Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system’s actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
  - Employee contributions

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

- School District/University Contributions
- State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010.

These adjustments were incorporated into the valuation with open group projections that assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.675(4)(b).

- Adjustments to the statutory contributions in future years were based on the following assumptions:
  - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
  - Estimates for new entrants were based on the assumption that active headcounts would remain flat for all future years.

Based on these assumptions, the Health Trust's fiduciary net position was projected to be sufficient to pay benefits.

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

	1% Decrease	Current Discount Rate	7.10%	1% Increase
KTRS	6.10%	7.10%		8.10%
District's proportionate share of MIF net OPEB liability	\$ 26,774,000	\$ 21,339,000		\$ 16,840,000

*Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates* – The following presents the District's proportionate share of the 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:

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

	1% Decrease		Current Health Care Trend Rate	1% Increase
KTRS				
District's proportionate share of net OPEB liability	\$ 15,997,000	\$	21,339,000	\$ 27,983,000

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

**TRS Life Insurance Plan**

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

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

*Contributions* – The Commonwealth of Kentucky contributed 0.08% of salary to the Life Insurance Trust for the fiscal year ended June 30, 2023 and 0.07% for fiscal year June 30, 2022. The actuarial determined contribution rate for FY 23 was 0.08% and 0.07% for FY 22.

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

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 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	\$	0
State's proportionate share of the net OPEB liability associated with the District		<u>349,000</u>
Total	\$	<u>349,000</u>

For the year ended June 30, 2023, the District recognized OPEB revenue and expense of \$26,613 for support provided by the State.

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

*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:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 – 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with 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 in the June 30, 2020 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period 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 health care cost trend assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Equity	40.0%	4.40 %
International Equity	23.0%	5.60%
Fixed Income	18.0%	(0.10)%
Real Estate	6.0%	4.00 %
Private Equity	5.0%	6.90 %
Other Additional Categories	6.0%	2.10 %
Cash	<u>2.0%</u>	(0.30)%
Total	<u>100.0%</u>	

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

**NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Cont'd)**

*Single Equivalent Interest Rate* - The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to the actuarial methods and assumptions of the June 30, 2021 actuarial valuation, the following actuarial methods and assumptions were used in the projection of the Life Trust's cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the Actuarially Determined Contribution (AC) in accordance with the Life Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applied.
- Administrative expenses were assumed to be paid in all years by the employer as they come due and are not considered in the cash flow projections.
- Active employees do not explicitly contribute to the plan.
- Cash flows occur mid-year.

Based on these assumptions, the Life Trust's fiduciary net position was projected to be sufficient to pay all benefits for all current members.

*OPEB plan fiduciary net position* – TRS of Ky issues a publicly available financial report that can be obtained at [http://www.TRSofKy.ky.gov/05\\_publications/index.htm](http://www.TRSofKy.ky.gov/05_publications/index.htm).

**NOTE 8 – ACCUMULATED UNPAID SICK LEAVE BENEFITS**

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. At June 30, 2023, this amount totaled \$973,725. The District follows a policy of funding up to one-half of the total amount accrued as a commitment of the General Fund balance.

**NOTE 9 - INSURANCE AND RELATED ACTIVITIES**

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

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

**NOTE 10 - CONTINGENCIES**

Funding for the District's Grant Funds is provided by federal, state and local government agencies. These funds are to be used for designated purposes only. If, based upon the grantor's review, the funds are considered not to have been used for the intended purpose the grantor may request a refund of monies advanced, or to refuse to reimburse the District for its disbursements. The amount of such future refunds and un-reimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantor's intent to continue their programs. In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for worker's compensation, errors and omissions, and general liability coverage the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage.

Contributions to the Workers' Compensation Fund are based on premium rates established by such a fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four months after the expiration of the self-insurance term. The liability insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage, and for any reason, by giving ninety days notice. In the event the Trust terminated coverage, any amount remaining in the Fund would be returned to the member on a pro rata basis. 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 several fiscal years.

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

**NOTE 12 - COBRA**

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

**NOTE 13 - DEFICIT OPERATING/ FUND BALANCES**

As of June 30, 2023 no funds were operating as deficit fund balances. The following funds had operations that resulted in a current year deficit after transfers and other financing sources (see Note 14) resulting in the following reductions of fund balances:

Construction	\$4,332,558
Student Activity	\$18,273
Food Service	\$471,781
Special Revenue	\$107,846

**NOTE 14 – INTERFUND TRANSACTIONS**

The following transfers were made during the year:

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Special Revenue	KETS Matching	\$161,122
General	Construction	Construction	\$743,314
General	Debt Service	Debt Service	\$268,710
Special Revenue	General	Indirect Costs	\$867,262
Special Revenue	Special Revenue	Transfers Between Projects	\$381,120
Special Revenue	Construction	Construction	\$176,742
Building	General	Indirect Costs	\$1,087,864
Building	Construction	Construction	\$1,151,317
Building	Debt Service	Debt Service	\$8,876,979
Food Service	Special Revenue	Indirect Costs	\$351,352
Day Care	General	Indirect Costs	\$10,298
Day Care	Special Revenue	Indirect Costs	\$211,320

**NOTE 15 - ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2023, the Commonwealth of Kentucky contributed estimated payments on behalf of the District as follows:

Kentucky Teachers Retirement System	\$ 18,975,810
Health & Life Insurance	9,674,832
Technology	191,968
Debt Service	234,435
<b>Recognized at the Fund Level</b>	<u>29,077,045</u>
Additional pension & OPEB expense recognized at the Government-Wide Level	8,251,189
<b>Total On-Behalf</b>	<u><u>\$ 37,328,234</u></u>

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

**NOTE 15 - ON-BEHALF PAYMENTS (Cont'd)**

These payments were recorded in the appropriate revenue and expense accounts on the statement of revenue, expenses, and changes in fund balance as follows:

General Fund	\$	28,469,604
Food Service Fund		372,116
Debt Service Fund		234,435
Day Care Fund		889
Total	\$	<u>29,077,044</u>

**NOTE 16 – LITIGATION**

The District is subject to several 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 combined financial statements as a result of the cases presently in progress.

**NOTE 17 – SUBSEQUENT EVENTS**

In preparing these financial statements, management of the District has evaluated events and transaction for potential recognition or disclosure through November 10, 2023, the date the financial statements were available to be issued.

**NOTE 18 – RISKS AND UNCERTAINTIES**

Prior to the year ended June 30, 2023, the World Health Organization declared the coronavirus disease (COVID-19) outbreak to be a pandemic. COVID -19 continues to spread across the globe and is impacting worldwide economic activity. The continued spread of the disease represents a significant risk that operations will continue to be disrupted for the foreseeable future. The full extent to which COVID-19 impacts the District will depend on future developments which are highly uncertain and cannot be predicted.

**NOTE 19 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The District adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. For the year ended June 30, 2023 the District was not party to any SBITAs for which GASB Statement No. 96 is applicable. Implementation of this standard had no material effect on the financial statements.

JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>									
District's proportion of the net pension liability	0.460402%	0.442481%	0.455436%	0.445065%	0.441128%	0.454879%	0.467410%	0.467270%	0.452750%
District's proportionate share of the net pension liability	\$ 33,282,523	\$ 28,211,635	\$ 34,931,564	\$ 31,301,620	\$ 26,866,040	\$ 26,625,466	\$ 23,013,507	\$ 20,090,315	\$ 14,688,816
District's covered-employee payroll	\$ 13,053,193	\$ 10,825,793	\$ 11,216,259	\$ 10,791,918	\$ 10,829,370	\$ 11,076,229	\$ 11,102,808	\$ 11,156,620	\$ 11,003,034
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	254.98%	260.60%	311.44%	290.05%	248.08%	240.38%	207.28%	180.08%	133.50%
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%
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>									
District's proportion of the net pension liability	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	\$ 203,576,145	\$ 157,539,361	\$ 164,052,982	\$ 152,591,208	\$ 142,965,050	\$ 295,387,116	\$ 328,040,315	\$ 252,771,792	\$ 214,615,677
Total	\$ 203,576,145	\$ 157,539,361	\$ 164,052,982	\$ 152,591,208	\$ 142,965,050	\$ 295,387,116	\$ 328,040,315	\$ 252,771,792	\$ 214,615,677
District's covered-employee payroll	\$ 45,773,483	\$ 40,857,502	\$ 38,865,192	\$ 36,959,059	\$ 35,820,749	\$ 35,288,900	\$ 35,293,692	\$ 33,757,544	\$ 32,732,645
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	56.40%	54.60%	55.30%	53.60%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.  
**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>										
Contractually required contribution	\$ 3,111,410	\$ 2,725,180	\$ 2,187,806	\$ 2,274,272	\$ 1,834,789	\$ 1,583,141	\$ 2,068,851	\$ 1,903,411	\$ 1,395,102	\$ 1,962,055
Contributions in relation to the contractually required contribution	<u>3,111,410</u>	<u>2,725,180</u>	<u>2,187,806</u>	<u>2,274,272</u>	<u>1,834,789</u>	<u>1,583,141</u>	<u>2,068,851</u>	<u>1,903,411</u>	<u>1,395,102</u>	<u>1,962,055</u>
Contribution deficiency (excess)			0	0	-	-	-	-	-	-
District's covered-employee payroll	\$ 13,296,624	\$ 12,872,839	\$ 11,335,789	\$ 11,783,780	\$ 11,312,387	\$ 10,829,370	\$ 11,076,229	\$ 11,102,808	\$ 11,156,620	\$ 11,003,034
District's contributions as a percentage of its covered-employee payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.62%	18.68%	17.14%	12.50%	17.83%
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>									
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 46,696,530	\$ 45,773,483	\$ 40,857,502	\$ 38,865,192	\$ 36,957,749	\$ 35,820,749	\$ 35,288,900	\$ 35,293,692	\$ 33,757,544	\$ 32,732,645
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
FOR THE YEAR ENDED JUNE 30, 2023**

**COUNTY EMPLOYEES RETIREMENT SYSTEM:**

The actuarially determined contribution rates are determined on an annual basis using the actuarial valuation conducted two years prior to the year in which the contribution will be assessed.

**2020 Changes of Assumptions** – The amortization period for the unfunded liability was reset as of June 30, 2019, to a closed 30-year period.

**2019 Changes of Assumptions** – The 2019 actuarial valuation used updated mortality tables for all categories of members and beneficiaries and a system-specific mortality table for non-disabled retirees. In 2019, mortality rates for active members were based on the PUB-2010 General Mortality table, for the nonhazardous members and the PUB-2010 Public Safety Mortality table for the hazardous members, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. Post-retirement mortality rates (non-disabled) used 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 PUB-2010 Disabled Mortality Table is used for post-retirement mortality for disabled retirees 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. Previous valuations were based on RP-2000 Combined Mortality Tables.

**2017 Changes of Assumptions** – For the 2017 actuarial valuation, several key actuarial assumptions were revised. Changes in assumptions prior to 2016 provided minor adjustments to the actuarial measurements. The following table outlines the actuarial methods and assumptions that were used in 2019 and 2016 to determine contribution rates reported for all systems:

<b>Assumption</b>	<b>2017 Valuation</b>	<b>2016 Valuation</b>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level of Percentage of Payroll, closed	Level of Percentage of Payroll, closed
Remaining Amortization Period	26 Years	27 Years
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Post-retirement benefit adjustments	0.00%	0.00%
Inflation	<b>2.30%</b>	<b>3.25%</b>
Salary Increase	<b>3.3% to 11.55%</b> varies by service), average, including Inflation	<b>4%</b> , average, including Inflation
Investment Rate of Return	<b>6.25%</b> , Net of Pension Plan Investment Expense, including Inflation	<b>7.5%</b> , Net of Pension Plan Investment Expense, including Inflation

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
FOR THE YEAR ENDED JUNE 30, 2023**

**COUNTY EMPLOYEES RETIREMENT SYSTEM (Cont'd):**

Changes of Benefit Terms -

2014: A cash balance plan was introduced for member whose participation date begins on or after January 1, 2014

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tiered Structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

**2022 Changes to Benefit Terms** – A new benefit tier was added for members joining the system on and after January 1, 2022. This tier increases the retirement age to either age 57 and 10 years of service or attainment of age 65 and 5 years of service. This tier includes a defined benefit foundational benefit based on service and final average salary plus a defined contribution supplemental benefit. More details about this new tier are available on the TRS website, <https://trs.ky.gov/active-members/trs-1-trs-2-and-trs-3-member-information>.

**2021 Changes of Assumptions** – The 2020 experience study was used to adjust rates of withdrawal, retirement, disability, mortality, and rates of salary increases to reflect actual experience more closely. The expectation of mortality was changed to the Pub 2010 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 SEIR results in an assumption change from 7.50% to 7.10%.

**2018 Changes of Assumptions** – The 2018 actuarial analysis for TRS of Ky indicated that cash flow for the system would be sufficient to pay benefits in all periods. As a result, the discount rate for the 2018 study was the same as the long-term expected yield of 7.5%. In 2017, the analysis used a blended rate of 4.49% which included the application of the municipal bond index to periods after 2038. The actuarial gains for this change will be recognized over the average remaining service lives for active members (10.6 years for the 2020 valuation) and are creating negative pension expense for the TRS pension system.

**2017 Changes of Assumptions** – The Single Equivalent Interest Rate was increased from 4.20% to 4.49%.

**2016 Changes of Assumptions** – The Single Equivalent Interest Rate was decreased from 4.88% to 4.20%. Rates of withdrawal, retirement, disability and mortality were adjusted based on an experience study conducted in 2015. The Assumed Salary Scale, Price Inflation, and Wage Inflation were also decreased.

**2015 Changes of Assumptions** – The Single Equivalent Interest Rate was decreased from 5.23% to 4.88%.

**2014 Changes of Assumptions** – The Single Equivalent Interest Rate was increased from 5.16% to 5.23%.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY - MEDICAL INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Reporting Fiscal Year (Measurement Date)</u> 2023 (2022)	<u>Reporting Fiscal Year (Measurement Date)</u> 2022 (2021)	<u>Reporting Fiscal Year (Measurement Date)</u> 2021 (2020)	<u>Reporting Fiscal Year (Measurement Date)</u> 2020 (2019)	<u>Reporting Fiscal Year (Measurement Date)</u> 2019 (2018)	<u>Reporting Fiscal Year (Measurement Date)</u> 2018 (2017)
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>						
District's proportion of the net OPEB liability	0.460343%	0.442378%	0.455303%	0.444956%	0.441115%	0.454879%
District's proportionate share of the net OPEB liability	\$ 9,084,932	\$ 8,469,105	\$ 10,994,183	\$ 7,483,959	\$ 7,831,829	\$ 9,144,624
District's covered-employee payroll	\$ 13,053,193	\$ 10,825,793	\$ 11,216,259	\$ 10,791,918	\$ 10,829,370	\$ 11,076,229
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	69.60%	78.23%	98.02%	69.35%	72.32%	82.56%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>						
District's proportion of the net OPEB liability	0.859574%	0.639742%	0.615550%	0.590980%	0.558300%	0.573386%
District's proportionate share of the net OPEB liability	\$ 21,339,000	\$ 13,727,000	\$ 15,535,000	\$ 17,297,000	\$ 19,371,000	\$ 20,446,000
State's proportionate share of the net OPEB liability associated with the District	\$ 7,010,000	\$ 11,148,000	\$ 12,444,000	\$ 13,968,000	\$ 16,694,000	\$ 16,701,000
Total	<u>\$ 28,349,000</u>	<u>\$ 24,875,000</u>	<u>\$ 27,979,000</u>	<u>\$ 31,265,000</u>	<u>\$ 36,065,000</u>	<u>\$ 37,147,000</u>
District's covered-employee payroll	\$ 45,773,483	\$ 40,857,502	\$ 38,865,192	\$ 36,233,358	\$ 35,820,749	\$ 35,288,900
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	46.62%	33.60%	39.97%	47.74%	54.08%	57.94%
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>							
Contractually required contribution	\$ 569,560	\$ 744,050	\$ 539,583	\$ 560,908	\$ 595,005	\$ 513,871	\$ 523,857
Contributions in relation to the contractually required contribution	<u>569,560</u>	<u>744,050</u>	<u>539,583</u>	<u>560,908</u>	<u>595,005</u>	<u>513,871</u>	<u>523,857</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 13,296,624	\$ 12,872,839	\$ 11,335,789	\$ 11,783,780	\$ 11,312,387	\$ 10,829,370	\$ 11,076,229
District's contributions as a percentage of its covered-employee payroll	4.28%	5.78%	4.76%	4.76%	5.26%	4.75%	4.73%
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>							
Contractually required contribution	\$ 1,198,557	\$ 1,140,487	\$ 1,135,547	\$ 1,087,462	\$ 1,029,058	\$ 994,507	\$ 982,372
Contributions in relation to the contractually required contribution	<u>1,198,557</u>	<u>1,140,487</u>	<u>1,135,547</u>	<u>1,087,462</u>	<u>1,029,058</u>	<u>994,507</u>	<u>982,372</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 40,017,990	\$ 42,738,912	\$ 37,849,731	\$ 36,233,358	\$ 34,300,505	\$ 35,820,749	\$ 35,288,900
District's contributions as a percentage of its covered-employee payroll	3.00%	2.67%	3.00%	3.00%	3.00%	2.78%	2.78%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – MEDICAL  
INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

**COUNTY EMPLOYEES RETIREMENT SYSTEM:**

Valuation Date: June 30, 2021

**2022 Changes in Actuarial Assumptions:** Discount rate used to calculate the total OPEB liability increased from 5.20% to 5.70% for the CERs non-hazardous insurance plan.

**2021 Changes in Actuarial Assumptions:** Initial rates for health cost trends for retirees under age 65 were lowered from 6.4% to 6.25% and rates for retirees ages 65 or older were increased from 2.9% to 5.5%. Municipal bond index rate was lowered from 2.45% to 1.92% (Fidelity 20-Year Municipal GO AA Index). And the single discount rate for the CERS non-hazardous insurance plan was lowered from 5.34% to 5.20%.

**2017 Changes in Actuarial Assumptions:** The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions which were changed from the 2016 actuarial valuation, applied to all periods included in the measurement:

Investment rate of Return	6.25%, net of OPEB plan investment expense, including inflation.
Projected salary increases	4% average
Inflation rate	3.25%
Healthcare cost trend rates	
Under 65	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years
Ages 65 and Older	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years
Municipal Bond Index Rate	3.56%
Discount Rate	5.84%

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

Valuation Date: June 30, 2021

**2022 Changes to Benefit Terms:** A new benefit tier was added for members joining the system on and after January 1, 2022. This tier increases the retirement age to either age 57 and 10 years of service or attainment of age 65 and 5 years of service. This tier includes a defined benefit foundational benefit based on service and final average salary plus a defined contribution supplemental benefit. More details about this new tier are available on the TRS website, <https://trs.ky.gov/active-members/trs-1-trs-2-and-trs-3-member-information>.

**2021 Changes to Actuarial 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, setbacks, 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 to 7.10% The price inflation assumption was lowered from 3.00% to 2.5%
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**2020 Changes to Actuarial Assumptions:** The actuary updated the health care trend rates based on current economic data.

**2019 Changes to Actuarial Assumptions:** The State's biennial budget for the two years ended June 30, 2022, included the actuarially determined contribution (ADC) rate for the TRS of Ky system plus additional contributions to address the shortfall from previous years. The actuarial analysis for the June 30, 2019 measurement included an assumption that future state contributions would be based on the ADC which provides sufficient funding for all future periods. As a result, TRS used the long-term rate of return, 7.5%, as the 2019 discount rate instead of a blended rate that included the municipal bond index for certain future periods.

**2017 Changes to benefit terms:** With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retire 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.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY - LIFE INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>						
District's proportion of the net OPEB liability	0%	0%	0%	0%	0%	0%
District's proportionate share of the net OPEB liability	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the District	\$ 148,000	\$ 148,000	\$ 376,000	\$ 325,000	\$ 286,000	\$ 224,000
Total	<u>\$ 148,000</u>	<u>\$ 148,000</u>	<u>\$ 376,000</u>	<u>\$ 325,000</u>	<u>\$ 286,000</u>	<u>\$ 224,000</u>
District's covered-employee payroll	\$ 45,773,483	\$ 40,857,502	\$ 38,865,192	\$ 36,233,358	\$ 35,820,749	\$ 35,288,900
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - LIFE INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 40,017,990	\$ 42,738,912	\$ 37,849,731	\$ 36,233,358	\$ 34,300,505	\$ 35,820,749	\$ 35,288,900
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.  
**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – LIFE INSURANCE  
PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

Valuation Date: June 30, 2021

**2021 Changes to 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, setbacks, 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% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**2017 Changes to benefit terms:**

With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retire 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.

JESSAMINE COUNTY SCHOOL DISTRICT  
SUPPLEMENTAL SCHEDULES

**JESSAMINE COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	DISTRICT ACTIVITY FUND	STUDENT ACTIVITY FUND	SEEK CAPITAL OUTLAY FUND	FSPK BUILDING FUND	CONSTRUCTION FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 171,204	\$ 552,387	\$ 2,311,630	\$ 1,529,834	\$ 1,168,504	\$ -	\$ 5,733,559
Accounts receivable	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 171,204</u>	<u>\$ 552,387</u>	<u>\$ 2,311,630</u>	<u>\$ 1,529,834</u>	<u>\$ 1,168,504</u>	<u>\$ -</u>	<u>\$ 5,733,559</u>
<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>							
Committed	171,204	-	-	-	-	-	171,204
Restricted	-	552,387	2,311,630	1,529,834	1,168,504	-	5,562,355
<b>TOTAL FUND BALANCES</b>	<u>171,204</u>	<u>552,387</u>	<u>2,311,630</u>	<u>1,529,834</u>	<u>1,168,504</u>	<u>-</u>	<u>5,733,559</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 171,204</u>	<u>\$ 552,387</u>	<u>\$ 2,311,630</u>	<u>\$ 1,529,834</u>	<u>\$ 1,168,504</u>	<u>\$ -</u>	<u>\$ 5,733,559</u>

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

	DISTRICT ACTIVITY FUND	STUDENT ACTIVITY FUND	SEEK CAPITAL OUTLAY FUND	FSPK BUILDING FUND	CONSTRUCTION FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
From local sources:							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ 8,624,295	\$ -	\$ -	\$ 8,624,295
Earnings on investments	-	19,854	43,825	95,848	52,288	-	211,815
Tuition	91,775	-	-	-	-	-	91,775
Fees	35,265	676,730	-	-	-	-	711,995
Other	141,181	729,229	-	-	-	-	870,410
Intergovernmental - State	-	-	767,249	3,068,580	-	234,434	4,070,263
<b>TOTAL REVENUES</b>	<b>268,221</b>	<b>1,425,813</b>	<b>811,074</b>	<b>11,788,723</b>	<b>52,288</b>	<b>234,434</b>	<b>14,580,553</b>
<b>EXPENDITURES:</b>							
Current:							
Instruction	172,338	1,444,086	-	-	-	-	1,616,424
Instructional staff support	92,460	-	-	-	-	-	92,460
Non-instructional	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	9,380,123	9,380,123
Capital Outlay	-	-	-	-	6,456,218	-	6,456,218
<b>TOTAL EXPENDITURES</b>	<b>264,798</b>	<b>1,444,086</b>	<b>-</b>	<b>-</b>	<b>6,456,218</b>	<b>9,380,123</b>	<b>17,545,225</b>
Excess (Deficit) of Revenues over Expenditures	3,423	(18,273)	811,074	11,788,723	(6,403,930)	(9,145,689)	(2,964,672)
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in	-	-	-	-	2,071,372	9,145,689	11,217,061
Operating transfers out	-	-	-	(11,116,160)	-	-	(11,116,160)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,116,160)</b>	<b>2,071,372</b>	<b>9,145,689</b>	<b>100,901</b>
Net Change in Fund Balances	3,423	(18,273)	811,074	672,563	(4,332,558)	-	(2,863,771)
Fund balance - beginning of year	167,781	570,660	1,500,556	857,271	5,501,062	-	8,597,330
Fund balance - end of year	\$ 171,204	\$ 552,387	\$ 2,311,630	\$ 1,529,834	\$ 1,168,504	\$ -	\$ 5,733,559

**JESSAMINE COUNTY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 SCHOOL ACTIVITY FUNDS  
 For The Year Ended June 30, 2023**

	Due To Student Groups June 30, 2022	Revenues	Expenses	Due To Student Groups June 30, 2023
East Jessamine High School	\$ 82,813	\$ 372,374	\$ 392,566	\$ 62,621
West Jessamine High School	153,138	548,329	559,783	141,684
The Providence School	30,770	13,088	29,257	14,601
East Jessamine Middle School	65,382	141,414	142,571	64,225
West Jessamine Middle School	82,337	108,450	104,151	86,636
Brookside Elementary	5,569	27,934	20,959	12,544
Jessamine Early Learning Village	3,055	9,018	6,409	5,664
Jessamine Career and Tech. Center	62,786	135,916	124,113	74,589
Nicholasville Elementary	9,188	14,012	9,497	13,703
Red Oak	14,510	23,807	22,393	15,924
Rosenwald Dunbar Elementary	31,276	40,461	35,813	35,924
Warner Elementary	4,953	30,060	27,531	7,482
Wilmore Elementary School	24,883	26,978	35,071	16,790
	<u>570,660</u>	<u>1,491,841</u>	<u>1,510,114</u>	<u>552,387</u>
Interfund Transfers		(66,028)	(66,028)	
	<u>\$ 570,660</u>	<u>\$ 1,425,813</u>	<u>\$ 1,444,086</u>	<u>\$ 552,387</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
EAST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

ACCOUNTS:	Due To Student Groups June 30, 2022	Revenues	Expenses	Due To Student Groups June 30, 2023
ACADEMIC	\$ -	\$ 2,850	\$ 725	\$ 2,125
AP-BIO	-	-	-	-
AP-TEST	6,260	4,454	9,710	1,004
APEX	-	-	-	-
ARCHERY	-	14,684	1,575	13,109
ART	59	50	50	59
ATH FOOTBALL	-	14,119	11,000	3,119
ATHLETICS	22,471	132,052	143,107	11,416
BETA	-	-	-	-
CHOIR	-	-	-	-
CHORUS	22	13,939	13,958	3
COKE	3,512	1,702	2,444	2,770
COLLEGE	-	2,489	2,489	-
COLOR GUARD	-	250	-	250
COMMUNITY	-	-	-	-
DRAMA	9,983	9,591	15,603	3,971
DANCE BLUE	20	1,034	-	1,054
DUAL CREDIT	-	45,761	44,388	1,373
FIELD-TRIP	18,937	58,452	77,379	10
FRC	86	250	243	93
GENERAL	1,533	29,358	27,777	3,114
GOVERNMENT	3,353	6,730	4,876	5,207
GRAD FUND	1,942	3,462	2,358	3,046
GUIDANCE	-	-	-	-
HOMELESS	-	-	-	-
HONOR	-	-	-	-
INCENTIVE ACCOUNT	-	-	-	-
IPAD	-	-	-	-
JCTC	-	1,460	1,460	-
LANG ARTS	-	-	-	-
RECYCLING	250	-	-	250
MATH	-	-	-	-
ORCHESTRA	-	-	-	-
PROM	1,629	10,985	12,566	48
SCHOLARSHIP	-	-	-	-
SCIENCE	502	-	-	502
SOCIAL STU	-	-	-	-
SOS	555	-	-	555
SPANISH	-	-	-	-
SPECIAL ED	-	-	-	-
SPEECH	-	-	-	-
STORE	650	3,465	-	4,115
TECHNOLOGY	11,019	11,487	17,108	5,398
TRIPLE A	-	-	-	-
TUITION	-	3,750	3,750	-
VENDING	30	-	-	30
SUBTOTALS	\$ 82,813	\$ 372,374	\$ 392,566	\$ 62,621

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
WEST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

ACCOUNTS:	Due To Student Groups June 30, 2022	Receipts	Disbursements	Due To Student Groups June 30, 2023
ACADEMIC	\$ 8	\$ 25	\$ -	\$ 33
ACTIVITY CARD	6,592	16,210	17,964	4,838
ALGEBRA	290	-	-	290
ART	731	200	90	841
ATHLETICS	45,997	241,404	238,596	48,805
BETA	752	132	-	884
BLOOD DRIVE	-	571	571	-
CHOIR	698	12,645	13,000	343
CHOIR TRIP	-	3,598	3,598	-
CLASS TRIP	10,192	81,667	85,931	5,928
DANCE BLUE	1,350	2,181	1,524	2,007
DRAMA	10,320	24,863	32,699	2,484
DRIVERS ED	-	-	-	-
FCA	92	41	6	127
FILD TRIP	-	1,245	585	660
FITNESS	120	692	350	462
FRENCH	59	-	-	59
FRISBEE	2,523	5,050	4,960	2,613
GENERAL	4,673	26,063	16,167	14,569
GUIDANCE	12,412	7,544	8,995	10,961
GUITAR	-	-	-	-
HOMECOMING	2,478	1,050	2,214	1,314
INSTRUCT	11,342	54,969	54,083	12,228
LIFE SKILL	159	105	-	264
LEADERSHIP	60	500	-	560
MATH	87	-	19	68
MUSICAL	-	-	-	-
NATIONAL HONOR	1,223	1,461	1,761	923
POSTAGE	-	200	-	200
PROM	3,604	15,520	17,815	1,309
PSAT	1,833	800	702	1,931
RHO KAPPA	-	395	28	367
SHOW CHOIR	5,022	10,886	15,743	165
SCIENCE	7,847	2,097	4,471	5,473
SENATE	3,399	2,947	2,810	3,536
SUMMER SCH	11,155	1,850	-	13,005
SPEECH	-	-	-	-
STORE	5,248	12,444	16,491	1,201
TEACHER	171	1,771	1,808	134
TECHNOLOGY	1,029	3,381	4,374	36
TECH CLUB	-	700	346	354
VENDING	371	593	308	656
WEBSTER	167	-	-	167
WORLD LANGUAGE CLUB	-	-	-	-
Y - CLUB	460	10,324	10,658	126
YOUTH SERVICE CENTER	674	2,205	1,116	1,763
<b>TOTALS</b>	<b>\$ 153,138</b>	<b>\$ 548,329</b>	<b>\$ 559,783</b>	<b>\$ 141,684</b>

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
THE PROVIDENCE SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

ACCOUNTS:	Due To Student Groups June 30, 2022	Receipts	Disbursements	Due To Student Groups June 30, 2023
ARCHERY FUND	\$ 26,011	\$ 5,605	\$ 21,616	\$ 10,000
EMPTY BOWL	1,143	4,184	2,415	2,912
FRC	-	-	-	-
FEES	-	-	-	-
GENERAL	3,186	2,799	4,426	1,559
GRADUATION FUND	-	-	-	-
SENIOR FUND	-	-	-	-
YEARBOOK	-	-	-	-
TEACHER FUND	430	500	800	130
TOTALS	<u>\$ 30,770</u>	<u>\$ 13,088</u>	<u>\$ 29,257</u>	<u>\$ 14,601</u>

**JESSAMINE COUNTY BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2023**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance listing number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<b>Passed Through Kentucky Department of Education</b>			
<b>United States Department of Agriculture</b>			
<i>Child Nutrition Cluster-Cluster</i>			
National School Lunch Program (NSLP)			
National School Lunch Program (NSLP)	10.555	4002486 COMMODITIES	\$389,696
National School Lunch Program	10.555	7750002-22	766,446
National School Lunch Program	10.555	7750002-23	2,753,099
National School Lunch Program	10.555	9980000-23	92,222
National School Lunch Program	10.555	9980000-22	205,444
School Breakfast Program	10.553	7760005-22	284,545
School Breakfast Program	10.553	7760005-23	1,039,227
Summer School Feeding Program	10.559	7690024-22	11,202
Summer School Feeding Program	10.559	7690024-23	24
Summer School Feeding Program	10.559	7740023-22	37,611
Summer School Feeding Program	10.559	7740023-23	36,338
<i>Total Child Nutrition Cluster-Cluster</i>			5,615,854
State Pandemic Adm Cost Grant	10.649	9990000-22	5,950
State Administrative Expenses Child Nutrition	10.560	7700001-22	8,299
<i>Child and Adult Care Food Program</i>			
Child and Adult Care Food Program	10.558	7790021-22	50,274
Child and Adult Care Food Program	10.558	7790021-23	156,200
Child and Adult Care Food Program	10.558	7800016-22	3,709
Child and Adult Care Food Program	10.558	7800016-23	11,568
<i>Total Child and Adult Care Food Program</i>			221,751
<b>Total United States Department of Agriculture</b>			5,851,854
 <b>United States Department of Education</b>			
<i>Special Education Cluster (IDEA)-Cluster</i>			
Special Education - Grants to States (IDEA, Part B)			
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-22	845,993
Special Education - Grants to States (IDEA, Part B)	84.027	4910002-21	442,211
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-20	700
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-21	1,076,422
Total Special Education - Grants to States (IDEA, Part B)			2,365,326
Special Education - Preschool Grants (IDEA Preschool)			
Special Education - Preschool Grants (IDEA Preschool)	84.173	ARP IDEA PRESCHOOL--4881	60,241
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-20	17,689
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-21	27,538
Total Special Education - Preschool Grants (IDEA Preschool)			105,468
<i>Total Special Education Cluster (IDEA)-Cluster</i>			2,470,794

The accompanying notes are an integral part of this schedule.

**JESSAMINE COUNTY BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2023**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance listing number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<i>Adult Education--Basic Grants to States</i>			
Adult Education--Basic Grants to States	84.002	ADULT EDUCATION BASIC - WOODFORD C--373JW	38,699
Adult Education--Basic Grants to States	84.002	COMMUNITY-BASED WORK TRANSITION '11--371J	31,338
Adult Education--Basic Grants to States	84.002	KYAE RECRUITMENT--365I	1,141
Adult Education--Basic Grants to States	84.002	ADULT EDUCATION BASIC FEDERAL FY19--373I	1,255
Adult Education--Basic Grants to States	84.002	KYAE RECRUITMENT--365J	49,976
Adult Education--Basic Grants to States	84.002	ADULT EDUCATION BASIC FEDERAL FY19--373J	64,242
<i>Total Adult Education--Basic Grants to States</i>			<u>186,651</u>
<i>Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)</i>			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-20	128,696
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100102-20	826
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-21	168,987
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100102-22	31,326
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-22	1,973,262
<i>Total Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)</i>			<u>2,303,097</u>
<i>Migrant Education — State Grant Program (Title 1, Part C of ESEA)</i>			
Migrant Education — State Grant Program (Title 1, Part C of ESEA)	84.011	3110002-22	176,381
Migrant Education — State Grant Program (Title 1, Part C of ESEA)	84.011	3110002-21	59,342
<i>Total Migrant Education — State Grant Program (Title 1, Part C of ESEA)</i>			<u>235,723</u>
<i>Career and Technical Education--Basic Grants to States (Perkins V)</i>			
Career and Technical Education--Basic Grants to States (Perkins V)	84.048	3710002-22	113,201
Career and Technical Education--Basic Grants to States (Perkins V)	84.048	3710002-21	9,030
<i>Total Career and Technical Education--Basic Grants to States (Perkins V)</i>			<u>122,231</u>
<i>English Language Acquisition State Grants</i>			
English Language Acquisition State Grants	84.365	3300002-22	55,319
<i>Total English Language Acquisition State Grants</i>			<u>55,319</u>

The accompanying notes are an integral part of this schedule.

**JESSAMINE COUNTY BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2023**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance listing number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<i>Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)</i>			
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-22	278,884
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	TEACHER OF THE YEAR--4010T	3,161
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-21	42,603
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-20	30,582
<i>Total Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)</i>			<u>355,230</u>
<i>Student Support and Academic Enrichment Program</i>			
Student Support and Academic Enrichment Program	84.424	3420002-20	30,263
Student Support and Academic Enrichment Program	84.424	3420002-21	90,014
Student Support and Academic Enrichment Program	84.424	3420002-22	35,319
<i>Total Student Support and Academic Enrichment Program</i>			<u>155,596</u>
<i>Education Stabilization Fund (ESF)</i>			
Education Stabilization Fund (ESF)	84.425U	4300002-21 COVID-19 ARP	9,283,466
Education Stabilization Fund (ESF)	84.425D	4200002-21 COVID-19 ARP	375
Education Stabilization Fund (ESF)	84.425C	FRYSC GEER II--564GF COVID-19 ARP	232,844
Education Stabilization Fund (ESF)	84.425W	4980002-21 COVID-19 ARP	157,989
Education Stabilization Fund (ESF)	84.425D	4200003-21 COVID-19 ARP	(97,500)
Education Stabilization Fund (ESF)	84.425U	4300005-21 COVID-19 ARP	8,228
Education Stabilization Fund (ESF)	84.425C	GREANS2-21 COVID-19 ARP DEEPER LEARNING GRANT--	97,500
Education Stabilization Fund (ESF)	84.425U	563J COVID-19 ARP	43,802
<i>Total Education Stabilization Fund (ESF)</i>			<u>9,726,704</u>
<b>Total United States Department of Education</b>			<u>15,611,345</u>
<b>Environmental Protection Agency</b>			
<i>DIESEL EMISSIONS REDUCTION ACT (DERA) SCHOOL BUS REBATES PROGRAM</i>			
DIESEL EMISSIONS REDUCTION ACT (DERA) SCHOOL BUS REBATES PROGRAM	66.045	DIESEL EMISSIONS REDUCTION ACT--634J	200,000
<i>TOTAL DIESEL EMISSIONS REDUCTION ACT (DERA) SCHOOL BUS REBATES PROGRAM</i>			<u>200,000</u>
<b>Total Environmental Protection Agency</b>			
<b>Department of Homeland Security</b>			
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA--677FC	52,253
<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			<u>52,253</u>
<b>Total Department of Homeland Security</b>			<u>52,253</u>

The accompanying notes are an integral part of this schedule.

**JESSAMINE COUNTY BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2023**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance listing number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<b>Federal Communications Commission</b>			
<i>Emergency Connectivity Fund Program</i>			
		ARP EMERGENCY CONNECTIVITY FUND--559I	
Emergency Connectivity Fund Program	32.009	COVID-19 ARP	267,295
<i>Total Emergency Connectivity Fund Program</i>			<u>267,295</u>
<b>Total Federal Communications Commission</b>			<u>267,295</u>
<b>Passed Through Kentucky Department of Health and Family Services</b>			
<b>Department of Health and Human Services</b>			
<i>CCDF Cluster-Cluster</i>			
		CHILD CARE AID CRRSA--672G COVID-19 ARP	
Child Care and Development Block Grant	93.575		278,455
		CHILDCARE - CARES ACT-- 658FC COVID-19 ARP	
Child Care and Development Block Grant	93.575		141,517
		ARPA CHILD CARE FACILITY REPAIRS--553I COVID-19 ARP	
Child Care and Development Block Grant	93.575		21,806
		ARPA CHILDCARE STABILIZATION FUNDS--576I	
Child Care and Development Block Grant	93.575		306,945
		CARES - CHILD CARE DEV. LAST STIPEND--658FL COVID-19 ARP	
Child Care and Development Block Grant	93.575		95,648
<i>Total Child Care and Development Block Grant</i>			<u>844,371</u>
<b>Passed Through Kentucky Department of Education</b>			
<i>School-Based HIV/STD Prevention and School-Based Surveillance</i>			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	2100001-18	519
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	2100001-19	389
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	2100001-20	300
<i>Total Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</i>			<u>1,208</u>
<b>Total Department of Health and Human Services</b>			<u>845,579</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$22,828,326</u></u>

The accompanying notes are an integral part of this schedule.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

**NOTE 1- BASIS OF PRESENTATION**

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

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

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Jessamine County School District did not elect to use the 10% de minimus indirect cost rate.

**NOTE 3 – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling \$389,696.

**NOTE 4 – SUBRECIPIENTS**

The District did not pass through any federal awards to a subrecipient in the current fiscal year.

**SUMMERS, MCCRARY & SPARKS, P.S.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:

AMERICAN INSTITUTE  
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RYAN R. LASKI, CPA  
JUSTIN B. NICHOLS, CPA  
EMILY N. JACKSON, CPA

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SUSAN A. LACY, CPA

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LAURENCE T. SUMMERS  
1961-1992  
STUART K. MCCRARY, JR., CPA  
1982-2022

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

To the Kentucky State Committee for School District Audits  
Members of the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jessamine County School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Jessamine County School District's basic financial statements, and have issued our report thereon dated November 10, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jessamine County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001

We noted certain matters that we reported to management for the District in a separate letter Dated November 10, 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.

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 10, 2023

**SUMMERS, MCCRARY & SPARKS, P.S.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Kentucky State Committee for School District Audits  
Members for the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

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

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

We have audited the Jessamine County School District's 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 Jessamine County School District's major federal programs for the year ended June 30, 2023. The Jessamine County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

We are required to be independent of the Jessamine County School 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 Jessamine County School 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 Jessamine County School District's federal programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Jessamine County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the audit requirements prescribed by Kentucky State Committee for School District Audits, in the *Auditor Responsibilities, Cost Principles, and Audit Requirements* sections contained in the Kentucky Public School District's Audit Contract and Requirements 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 Jessamine County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the audit requirements prescribed by Kentucky State Committee for School District Audits, in the *Auditor Responsibilities, Cost Principles, and Audit Requirements* sections contained in the Kentucky Public School District's Audit Contract and Requirements, 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 Jessamine County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Jessamine County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Jessamine County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 10, 2023

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

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued - unmodified

Internal control over financial reporting:

Material weakness(es) identified?      \_\_\_\_\_yes      X  no

Significant deficiencies identified  
that are not considered to be material  
weakness?      \_\_\_\_\_yes      X  none reported

Noncompliance material to financial  
statements noted?        X  yes    \_\_\_\_\_no

**Federal Awards**

Internal control over majority programs:

Material weakness(es) identified?      \_\_\_\_\_yes      X  no

Significant deficiencies identified  
that are not considered to be material  
weakness(es)?      \_\_\_\_\_yes      X  none reported

Type of auditor's report issued on compliance for the major programs - unmodified

Any audit findings disclosed that are  
required to be report in accordance  
with 2 CFR section 200.516 (a)?      \_\_\_\_\_yes      X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U, 84.425C, 84.425W	Education Stabilization Fund (ESF)
93.575	Child Care and Development Block Grant
84.367	Supporting Effective Instruction State Grant
84.027, 84.173	Special Education (IDEA) Cluster

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

Auditee qualified as low-risk auditee?        X  yes    \_\_\_\_\_no

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

**Section II – Financial Statement Findings**

2023-001 Payroll

Condition: One employee was not paid in accordance with the approved salary schedule.

Criteria: Observance of approve single salary schedule – KRS 157.230(12), KRS 157.50(3), and 702 KAR 3:070

Cause: One employee was not paid in accordance to the approved salary schedule.

Effect: Noncompliance with Kentucky Revised Statutes.

Recommendation: We recommend management review payroll before it is finalized and confirm all employees are being paid in accordance to the salary schedule.

Views of Responsible Officials and Planned Corrective Actions: We have reviewed these specific employees and these are isolated instances during FY2023.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings this year.

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

**Section II – Financial Statement Findings**

No findings in the prior year

**Section III – Federal Award Findings and Questioned Costs**

No findings in the prior year.

**SUMMERS, MCCRARY & SPARKS, P.S.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:

AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS

KENTUCKY SOCIETY  
OF CERTIFIED PUBLIC ACCOUNTANTS

PRIVATE COMPANIES  
PRACTICE SECTION OF THE AMERICAN INSTITUTE  
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THOMAS S. SPARKS, CPA  
RYAN R. LASKI, CPA  
JUSTIN B. NICHOLS, CPA  
EMILY N. JACKSON, CPA

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SUSAN A. LACY, CPA

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LAURENCE T. SUMMERS  
1961-1992  
STUART K. MCCRARY, JR., CPA  
1982-2022

Members of the Board of Education  
Jessamine County School District  
Nicholasville, Kentucky

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

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 10, 2023 on the financial statements of the Jessamine County School District.

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

Respectfully,

*Summers, McCrary & Sparks, PSC*

Summers, McCrary & Sparks, PSC  
Lexington, Kentucky  
November 10, 2023

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2023**

**BOARD**

Comment: During the testing of payroll, we found the District's current method for accumulating the approved extended days for personnel in the District is not documented in a format similar to the District Single Salary Schedule. We recommend the District create an extended days salary schedule that includes all positions that receive extended days.

Response: The Salary Schedules are being updated to reflect extended days for all positions and will be approved at our upcoming Board Meeting for FY2024.

Comment: During payroll testing it was noted one contract was not signed, several I-9 forms were not signed and one employee file did not contain a completed W-4 form. We recommend management follow the procedures that have been set in place and create an organized filing system for all employee files.

Response: We send out paper contracts to employees and we do not always receive them back signed. We are transitioning from paper forms to electronic copies so we can obtain signatures on all forms moving forward.

**ACTIVITY FUNDS**

**The Providence School**

Comment: During our testing of Fundraising, we identified types of fundraisers that would require the Fundraiser Summary form to be completed, which was not being done. We recommend the school treasurer review the "Fundraiser" section of the "Redbook", which states the activity sponsor shall complete the Fundraiser Summary (Form F-SA-2B) and forward the report to the principal for review and filing within one week of the completion of the fundraising period or event.

Response: Fundraiser procedures were reviewed. The bookkeeper will make sure they are followed going forward.

Comment: During our testing of Disbursements, we noted multiple invoices that did not have a signature of person receiving the goods or services. The school treasurer should review the "Expenditures" section of the "Redbook", which states the vendor invoice or Standard Invoice (Form F-SA-8) must have a confirmation signature of the person receiving the goods or services.

Response: Disbursement procedures were reviewed. The bookkeeper will ensure all good and services are signed for.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2023**

Comment: During our testing of receipts, we found multiple deposit tickets that did not have receipts numbers noted on them. The school treasurer should review the "Receipts" section of the "Redbook", which states the deposit slip shall note the receipt numbers in the deposit.

Response: Receipt procedures were reviewed. Receipts numbers on the deposit tickets as well as the multiple receipt forms will be obtained.

**East Jessamine Middle School**

Comment: During our testing of sales we noted that the Monthly Inventory Control Form was not being completed. We recommend the school treasurer review the "Fundraising" section of the "Redbook" which states, fundraising activities such as activities involving inventory require the Monthly Inventory Control Worksheet (Form F-SA-5).

Response: The bookkeeper reviewed the fundraiser Inventory Control Worksheet. This process was followed for the remainder of the school year.

**West Jessamine Middle School**

Comment: During our testing of receipts, we found multiple deposit tickets that did not have receipts numbers noted on them. The school treasurer should review the "Receipts" section of the "Redbook", which states the deposit slip shall note the receipt numbers in the deposit.

Response: Receipt Section of Redbook was reviewed , The receipt number will be written on the deposit slip in addition to the Multiple Receipt form.

Comment: During our testing of Fundraising, we identified types of fundraisers that would require the Fundraiser Summary form to be completed, which was not being done. We recommend the school treasurer review the "Fundraiser" section of the "Redbook", which states the activity sponsor shall complete the Fundraiser Summary (Form F-SA-2B) and forward the report to the principal for review and filing within one week of the completion of the fundraising period or event.

Response: The Fundraiser section of Redbook was received. The Fundraiser sponsor will complete the Summary Report for the approved fundraisers.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2023**

**Jessamine Career and Technology Center**

Comment: During our testing of receipts, we found multiple Multiple Receipt Forms not completed properly. We recommend the school treasurer review the Multiple Receipt Form (Form F-SA-6) to become familiar with all the required items on the form.

Response: A brief retraining during the November Faculty meeting for teachers on the importance of following Redbook rules. The treasure will ask teachers turning in incorrect paperwork to resubmit the forms with accurate forms with support from administration as needed.

**Nicholasville Elementary School**

Comment: During our testing of Fundraising, we identified types of fundraisers that would require the Fundraiser Summary form to be completed, which was not being done. We recommend the school treasurer review the "Fundraiser" section of the "Redbook", which states the activity sponsor shall complete the Fundraiser Summary (Form F-SA-2B) and forward the report to the principal for review and filing within one week of the completion of the fundraising period or event.

Response: Administration and bookkeeper reviewed procedures to ensure the correct procedures are currently being followed.

Comment: During our testing of receipts, we found multiple deposit tickets that did not have receipts numbers noted on them. The school treasurer should review the "Receipts" section of the "Redbook", which states the deposit slip shall note the receipt numbers in the deposit.

Response: Administration and bookkeeper reviewed procedures to ensure the correct procedures are currently being followed.

Comment: During our testing of receipts, we found multiple deposit tickets did not include another employee's verification. We recommend the school treasurer review the "Receipts" section of the "Redbook", which states an employee, other than the treasurer shall verify the daily deposit.

Response: Administration and bookkeeper reviewed procedures to ensure the correct procedures are currently being followed.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2023**

**Red Oak Elementary School**

Comment: During our testing of receipts, we found multiple deposit tickets that did not have receipts numbers noted on them. The school treasurer should review the "Receipts" section of the "Redbook", which states the deposit slip shall note the receipt numbers in the deposit.

Response: Administration and bookkeeper reviewed the receipt section of Redbook. Bookkeeper will ensure the proper procedures are followed going forward.

**STATUS OF PRIOR YEAR COMMENTS**

**ACTIVITY FUNDS**

**East Jessamine High School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

Previously, during our testing of account balances, it was noted that one account's beginning balance did not agree to the previous year's ending balance. There were no similar findings in the current year.

**West Jessamine High School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

Previously, during testing of cash receipts, it was noted that an inventory control worksheet was not completed properly. There were no similar findings in the current year.

**The Providence School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

Previously, during testing of cash disbursements, it was noted that a few instances of purchase orders being completed after a purchase was invoiced. There were no similar findings in the current year.

Previously, during testing of receipts, there were several instances of a ticket form (F-SA-1) not being completed properly. There were no similar findings in the current year.

**East Jessamine Middle School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2023**

**West Jessamine Middle School**

Previously, during testing of fundraisers, there was an instance where a fundraiser summary form was not being used. There were no similar findings in the current year.

**Jessamine Career and Technology Center**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Brookside Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Nicholasville Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Red Oak Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Rosenwald Dunbar Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Warner Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Wilmore Elementary School**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.

**Jessamine Early Learning Village**

Previously, during our testing of cash disbursements, it was noted that multiple purchase orders that did not contain 3 signatures. There were no similar findings in the current year.