

Jessamine County School District
Audited Financial Statements
and Required Supplementary Information
June 30, 2024

JESSAMINE COUNTY SCHOOL DISTRICT
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SUMMERS, MCCRARY & SPARKS, P.S.C.
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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, 2024, 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, 2024, 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 65-74 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 8, 2024, 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 8, 2024

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

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, 2024. 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 8086 students in the 2023-2024 fiscal year, a decrease of 16 students from 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 \$14,712,736. With a decrease of \$3,401,527, the ending balance for FY2024 was \$11,311,209.
- Funding ADA decreased from the prior year because we were utilizing our 2018-2019 ADA to stabilize our SEEK Funding due to the pandemic. Our funding ADA was 7,611,970 for 2023-24.
- The Guaranteed SEEK base was increased to \$4,200 per pupil.
- ESSER and ARP funds were mostly depleted and the General Fund had to cover the additional positions created from those funds to help offset learning loss.
- CERS Employer Contribution Rate decreased from 26.79% in 2022-23 to 23.34% in 2023-24 fiscal year.
- The Board adopted the same rate as the prior year which resulted in a 6% property tax increase in the current year.
- The District had some minor construction projects in progress during the Fiscal Year
 - West High Chillers & Boiler replacement
 - JELV Boiler replacement
 - East Track Bleacher addition

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, 2024**

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 Food Service Operations, Day Care, Arts Plus and Jessamine Proud funds. 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 22-64 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 \$27,011,327 as of June 30, 2024 as compared to \$22,388,720 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, 2024**

Net position for the years ending June 30, 2024 and 2023

	<u>2024</u>		<u>2023</u>		<u>Change</u>
Current Assets	\$ 28,585,321	\$	31,102,651	\$	(2,517,330)
Noncurrent Assets	158,109,596		161,470,251		(3,360,655)
Total Assets	<u>186,694,917</u>		<u>192,572,902</u>		<u>(5,877,985)</u>
Deferred Outflows of Resources	<u>24,622,575</u>		<u>28,705,108</u>		<u>(4,082,533)</u>
Current Liabilities	15,263,983		15,610,423		(346,440)
Noncurrent Liabilities	140,133,449		165,116,254		(24,982,805)
Total Liabilities	<u>155,397,432</u>		<u>180,726,677</u>		<u>(25,329,245)</u>
Deferred Inflows of Resources	<u>28,908,733</u>		<u>18,162,613</u>		<u>10,746,120</u>
Net Position					
Investment in capital assets (net)	58,050,404		55,566,768		2,483,636
Restricted	7,657,163		6,847,495		809,668
Unrestricted	(38,696,240)		(40,025,543)		1,329,303
Total Net Position	<u>\$ 27,011,327</u>	\$	<u>22,388,720</u>	\$	<u>4,622,607</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2024 and 2023, Government Wide Basis.

	Net Change in Position					
	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Local revenue sources	\$47,810,738	\$44,980,366	\$857,196	\$678,792	\$48,667,934	\$45,659,158
State revenue sources	87,851,259	73,561,534	469,259	422,440	88,320,518	73,983,974
Federal revenue sources	10,546,198	17,279,038	5,829,020	5,843,557	16,375,218	23,122,595
Tuition	177,595	184,386	0	0	177,595	184,386
Gain/(Loss) on sale of assets	112,066	108,906	1,276	0	113,342	108,906
Investments	1,784,525	760,518	54,567	41,525	1,839,092	802,043
Total Revenue	148,282,381	136,874,748	7,211,318	6,986,314	155,493,699	143,861,062
Expenses:						
Instruction	91,504,679	75,932,516	0	0	91,504,679	75,932,516
Student support services	10,301,345	8,909,794	0	0	10,301,345	8,909,794
Instructional support	5,893,251	4,526,448	0	0	5,893,251	4,526,448
District administration	946,780	997,678	0	0	946,780	997,678
School administration	10,687,027	9,875,813	0	0	10,687,027	9,875,813
Business support	4,243,775	4,285,205	0	0	4,243,775	4,285,205
Plant operations	8,522,143	9,480,697	0	0	8,522,143	9,480,697
Student transportation	6,988,548	7,752,795	0	0	6,988,548	7,752,795
Food service	13,270	26,475	6,954,594	6,452,048	6,967,864	6,478,523
Day care	1,187,164	765,705	201,010	70,636	1,388,174	836,341
Community service	811,013	975,893	60,337	30,948	871,350	1,006,841
Non-instructional	0	2,525	0	0	0	2,525
Interest on long-term debt	2,556,156	3,154,417	0	0	2,556,156	3,154,417
Total Expenses	143,655,151	126,685,961	7,215,941	6,553,632	150,871,092	133,239,593
Transfers	636,370	572,970	(636,370)	(572,970)	0	0
Change in net position	5,263,600	10,761,757	(640,993)	(140,288)	4,622,607	10,621,469
Beginning net position	21,230,697	10,468,940	1,158,023	1,298,311	22,388,720	11,767,251
Ending net position	\$26,494,297	\$21,230,697	\$517,030	\$1,158,023	\$27,011,327	\$22,388,720

Governmental Activities

Instruction comprises 64% of governmental program expenses. Plant Operations expense makes up 6% of government expenses. District and School Administration total 8% 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 11% of total governmental expense.

Business-Type Activities

The business-type activities include the food service, day care operations and proud fund. These programs had total revenues of \$7,211,318 and expenses of \$7,215,941 for fiscal year 2024. Of the revenues, \$857,196 was charges for services, and \$6,298,279 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, 2024**

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, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	SEEK CAPITAL OUTLAY FUND	FOOD SERVICE FUND	DAY CARE FUND
REVENUES:					
From local sources:					
Taxes:					
Property	\$ 28,742,534	\$ 0	\$ 0	\$ 0	\$ 0
Distilled spirits	286,262	0	0	0	0
Motor vehicle	3,605,797	0	0	0	0
Utilities	3,229,888	0	0	0	0
Unmined minerals	4,418	0	0	0	0
Earnings on investments	1,148,837	137,536	137,133	53,325	0
Tuition	101,299	0	0	0	0
Other local revenues	221,626	332,800	0	58,300	740,589
Intergovernmental - state	53,012,449	4,507,116	751,016	467,408	173
Intergovernmental - federal	545,902	10,000,296	0	5,829,020	0
Gain/(Loss) on asset disposal	0	0	0	1,276	0
Lunchroom sales	0	0	0	7,522	0
Day care revenue	0	0	0	0	0
TOTAL REVENUES	90,899,012	14,977,748	888,149	6,416,851	740,762
EXPENDITURES:					
Instruction:	57,485,791	7,994,970	0	0	0
Support Services:					
Student	7,213,911	1,298,537	0	0	0
Instructional staff	3,470,978	1,469,508	0	0	0
District administration	966,363	0	0	0	0
School administration	8,087,288	674,386	0	0	0
Business	3,316,462	982,964	0	0	0
Plant operations and maintenance	8,380,461	0	0	0	0
Student transportation	6,016,438	717,675	0	0	0
Food Service	13,270	0	0	6,954,594	201,010
Day care service	0	1,187,164	0	0	0
Community Service	119,002	813,515	0	0	0
Non-instructional	0	0	0	0	0
Capital outlay	2,351,847	0	0	0	0
Debt service	0	0	0	0	0
TOTAL EXPENDITURES	97,421,811	15,138,719	0	6,954,594	201,010
Excess (Deficit) of Revenues over Expenditures	<u>\$ (6,522,799)</u>	<u>\$ (160,971)</u>	<u>\$ 888,149</u>	<u>\$ (537,743)</u>	<u>\$ 539,752</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

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)

Debt

At June 30, 2024, the School District had \$100,365,523 in bond debt outstanding, net a discount of \$709,886; of this amount \$1,665,847 is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$6,392,043 is due within one year.

Capital Assets

The Board added \$2,433,617 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Comments on Budget Comparisons

General fund budget compared to actual revenue varied from line item to line item with the ending actual revenues being \$46,863 less than budget. General fund budget compared to actual expenditures varied from line item to line item with the ending actual expenditures being \$5,671,396 less than budget. The District's total general fund revenues for the fiscal year ended June 30, 2024, before interfund transfers and proceeds from the sale of assets, was \$90,899,012, an decrease of \$1,753,605 from the total revenues of \$92,652,617 for 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: 5% certified and \$1 per hour increase for classified staff raises.

For Fiscal Year 2023-2024 the Board adopted the same rate as the prior year, which resulted in a 6% increase to the property tax rate from the prior 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. We have been slowly regaining those students back that left our public schools due to the pandemic.

The CERS retirement employer rate decreased this year to 23.34%. 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 did see an increase in Kentucky SEEK funding in the amount of \$100 per pupil. The District continues to look for innovative ways to generate additional revenue or reduce expenditures. During this fiscal year we mostly exhausted 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. Jessamine County Schools continued with these additional supports through this fiscal year and is reducing those staffing allocations in the upcoming fiscal year. 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, or Jason U'Wren, Chief Financial & Facilities Officer, email: 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, 2024**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Current Assets			
Cash and cash equivalents	\$ 18,475,105	\$ 2,130,756	\$ 20,605,861
Investments	4,916,451	-	4,916,451
Accounts receivable			
Taxes	722,400	-	722,400
Accounts	202,746	53,393	256,139
Intergovernmental - Federal	1,665,790	-	1,665,790
Prepaid assets	332,549	-	332,549
Inventory	-	86,131	86,131
Total Current Assets	<u>26,315,041</u>	<u>2,270,280</u>	<u>28,585,321</u>
Noncurrent Assets			
Net OPEB asset	560,449	86,812	647,261
Non-depreciated capital assets	9,018,925	-	9,018,925
Net depreciated capital assets	147,991,843	451,567	148,443,410
Total Noncurrent Assets	<u>157,571,217</u>	<u>538,379</u>	<u>158,109,596</u>
TOTAL ASSETS	<u>183,886,258</u>	<u>2,808,659</u>	<u>186,694,917</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension - CERS	8,910,364	507,788	9,418,152
OPEB - CERS	2,831,994	438,669	3,270,663
OPEB - KTRS	10,980,169	-	10,980,169
Deferred gain/loss on bond refinance	953,591	-	953,591
Total deferred outflow of resources	<u>23,676,118</u>	<u>946,457</u>	<u>24,622,575</u>
LIABILITIES:			
Current Liabilities			
Accounts payable	1,233,852	112,634	1,346,486
Current portion of bond obligations	6,392,043	-	6,392,043
Current portion of accrued sick leave	177,236	-	177,236
Accrued payroll	4,172,153	-	4,172,153
Accrued interest payable	556,947	-	556,947
Unearned revenues	2,619,118	-	2,619,118
Total Current Liabilities	<u>15,151,349</u>	<u>112,634</u>	<u>15,263,983</u>
Noncurrent Liabilities			
Noncurrent portion of bond obligations	93,973,479	-	93,973,479
Net pension liability - CERS	29,136,252	945,687	30,081,939
Net OPEB liability - KTRS	15,406,000	-	15,406,000
Noncurrent portion of accrued sick leave	672,031	-	672,031
Total Noncurrent Liabilities	<u>139,187,762</u>	<u>945,687</u>	<u>140,133,449</u>
TOTAL LIABILITIES	<u>154,339,111</u>	<u>1,058,321</u>	<u>155,397,432</u>
DEFERRED INFLOWS OF RESOURCES			
Pension - CERS	5,888,494	628,859	6,517,353
OPEB - CERS	10,012,474	1,550,906	11,563,380
OPEB - KTRS	10,828,000	-	10,828,000
Total deferred inflow of resources	<u>26,728,968</u>	<u>2,179,765</u>	<u>28,908,733</u>
NET POSITION			
Net Investment in Capital Assets	57,598,837	451,567	58,050,404
Restricted			
Capital projects (expendable)	6,173,599	-	6,173,599
Other purposes	641,333	842,231	1,483,564
Unrestricted	<u>(37,919,472)</u>	<u>(776,768)</u>	<u>(38,696,240)</u>
TOTAL NET POSITION	<u>\$ 26,494,297</u>	<u>\$ 517,030</u>	<u>\$ 27,011,327</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

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	\$ 91,504,679	\$ 177,595	\$ 10,820,565	\$ -	\$ (80,506,519)	\$ -	\$ (80,506,519)
Support Services:							
Student	10,301,345	-	-	-	(10,301,345)	-	(10,301,345)
Instructional staff	5,893,251	-	-	-	(5,893,251)	-	(5,893,251)
District administration	946,780	-	-	-	(946,780)	-	(946,780)
School administration	10,687,027	-	-	-	(10,687,027)	-	(10,687,027)
Business	4,243,775	-	-	-	(4,243,775)	-	(4,243,775)
Plant operations and maintainance	8,522,143	-	-	-	(8,522,143)	-	(8,522,143)
Student transportation	6,988,548	-	-	-	(6,988,548)	-	(6,988,548)
Food service	13,270	-	-	-	(13,270)	-	(13,270)
Day care	1,187,164	-	-	-	(1,187,164)	-	(1,187,164)
Community services	811,013	-	-	-	(811,013)	-	(811,013)
Interest on long-term debt	2,556,156	-	-	234,435	(2,321,721)	-	(2,321,721)
Total Governmental Activities	<u>143,655,151</u>	<u>177,595</u>	<u>10,820,565</u>	<u>234,435</u>	<u>(132,422,556)</u>	<u>-</u>	<u>(132,422,556)</u>
Business Type Activities:							
Food Service	6,954,594	65,822	6,296,428	-	-	(592,344)	(592,344)
Child Care	201,010	740,589	173	-	-	539,752	539,752
Arts Plus	60,337	49,211	1,678	-	-	(9,448)	(9,448)
Jessamine Proud	-	1,574	-	-	-	1,574	1,574
Total Business Type Activities	<u>7,215,941</u>	<u>857,196</u>	<u>6,298,279</u>	<u>-</u>	<u>-</u>	<u>(60,466)</u>	<u>(60,466)</u>
Total Primary Government	<u>\$ 150,871,092</u>	<u>\$ 1,034,791</u>	<u>\$ 17,118,844</u>	<u>\$ 234,435</u>	<u>\$ (132,422,556)</u>	<u>\$ (60,466)</u>	<u>\$ (132,483,022)</u>
			General Revenues:				
			Taxes:				
			Property	\$ 38,354,477	\$ -	\$ 38,354,477	
			Motor vehicle	3,605,797	-	3,605,797	
			Utilities	3,229,888	-	3,229,888	
			Other	290,680	-	290,680	
			State and formula grants	87,616,825	-	87,616,825	
			Interest and investment earnings	1,784,525	54,567	1,839,092	
			Other local revenues	2,055,528	-	2,055,528	
			Gain/(loss) on sale of assets	112,066	1,276	113,342	
			Transfers	636,370	(636,370)	-	
			Total General Revenues and Transfers	<u>137,686,156</u>	<u>(580,527)</u>	<u>137,105,629</u>	
			Change in Net Position	5,263,600	(640,993)	4,622,607	
			Net Position - beginning of year	21,230,697	1,158,023	22,388,720	
			Net Position - end of year	<u>\$ 26,494,297</u>	<u>\$ 517,030</u>	<u>\$ 27,011,327</u>	

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	SEEK CAPITAL OUTLAY FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 10,189,701	\$ 1,268,450	\$ 3,147,009	\$ 3,869,945	\$ 18,475,105
Investments	4,916,451	-	-	-	4,916,451
Interfund receivable	-	-	-	-	-
Accounts receivable					
Taxes	722,400	-	-	-	722,400
Accounts	202,746	-	-	-	202,746
Intergovernmental - Federal	-	1,665,790	-	-	1,665,790
Prepaid assets	332,549	-	-	-	332,549
TOTAL ASSETS	\$ 16,363,847	\$ 2,934,240	\$ 3,147,009	\$ 3,869,945	\$ 26,315,041
LIABILITIES:					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	850,284	311,177	-	72,391	1,233,852
Accrued payroll	4,172,153	-	-	-	4,172,153
Accrued sick leave	30,201	-	-	-	30,201
Unearned revenue	-	2,619,118	-	-	2,619,118
TOTAL LIABILITIES	5,052,638	2,930,295	-	72,391	8,055,324
FUND BALANCES:					
Restricted	-	3,945	3,147,009	3,663,978	6,814,932
Committed	424,634	-	-	133,576	558,210
Assigned	418,559	-	-	-	418,559
Nonspendable	332,549	-	-	-	332,549
Unassigned	10,135,467	-	-	-	10,135,467
TOTAL FUND BALANCES	11,311,209	3,945	3,147,009	3,797,554	18,259,717
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,363,847	\$ 2,934,240	\$ 3,147,009	\$ 3,869,945	\$ 26,315,041

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, 2024**

Total Governmental Fund Balances	\$	18,259,717
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		157,010,768
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		953,591
Pension		8,910,364
OPEB		13,812,163
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		(29,136,252)
Net OPEB liability		(15,406,000)
Net OPEB asset		560,449
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		(5,888,494)
OPEB		(20,840,474)
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		(100,365,523)
Accrued interest		(556,947)
Accrued sick leave		(819,066)
		(101,741,536)
Net Position of Governmental Activities	\$	26,494,297

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, 2024**

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	SEEK CAPITAL OUTLAY FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
From local sources:					
Taxes:					
Property	\$ 28,742,534	\$ -	\$ -	\$ 9,611,943	\$ 38,354,477
Distilled spirits	286,262	-	-	-	286,262
Motor vehicle	3,605,797	-	-	-	3,605,797
Utilities	3,229,888	-	-	-	3,229,888
Unmined minerals	4,418	-	-	-	4,418
Earnings on investments	1,148,837	137,536	137,133	361,019	1,784,525
Tuition	101,299	-	-	76,296	177,595
Other local revenues	221,626	332,800	-	1,775,470	2,329,896
Intergovernmental - State	53,012,449	4,507,116	751,016	2,067,969	60,338,550
Intergovernmental - Federal	545,902	10,000,296	-	-	10,546,198
TOTAL REVENUES	<u>90,899,012</u>	<u>14,977,748</u>	<u>888,149</u>	<u>13,892,697</u>	<u>120,657,606</u>
EXPENDITURES:					
Current:					
Instruction:	57,485,791	7,994,970	-	1,847,117	67,327,878
Support Services:					
Student	7,213,911	1,298,537	-	-	8,512,448
Instructional staff	3,470,978	1,469,508	-	-	4,940,486
District administration	966,363	-	-	-	966,363
School administration	8,087,288	674,386	-	-	8,761,674
Business	3,316,462	982,964	-	-	4,299,426
Plant operations and maintenance	8,380,461	-	-	-	8,380,461
Student transportation	6,016,438	717,675	-	-	6,734,113
Food service	13,270	-	-	-	13,270
Day care	-	1,187,164	-	-	1,187,164
Community Services	119,002	813,515	-	-	932,517
Capital Outlay	2,351,847	-	-	81,770	2,433,617
Debt service	-	-	-	9,109,113	9,109,113
TOTAL EXPENDITURES	<u>97,421,811</u>	<u>15,138,719</u>	<u>-</u>	<u>11,038,000</u>	<u>123,598,530</u>
Excess (Deficit) of Revenues over Expenditures	<u>(6,522,799)</u>	<u>(160,971)</u>	<u>888,149</u>	<u>2,854,697</u>	<u>(2,940,924)</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	3,158,052	1,418,312	-	10,777,488	15,353,852
Operating transfers out	(150,812)	(1,257,340)	(52,770)	(13,256,560)	(14,717,482)
Proceeds from sale of fixed assets	114,032	-	-	-	114,032
TOTAL OTHER FINANCING SOURCES (USES):	<u>3,121,272</u>	<u>160,972</u>	<u>(52,770)</u>	<u>(2,479,072)</u>	<u>750,402</u>
Net Change in Fund Balances	(3,401,527)	1	835,379	375,625	(2,190,522)
Fund balance - beginning of year	<u>14,712,736</u>	<u>3,944</u>	<u>2,311,630</u>	<u>3,421,929</u>	<u>20,450,239</u>
Fund balance - end of year	<u>\$ 11,311,209</u>	<u>\$ 3,945</u>	<u>\$ 3,147,009</u>	<u>\$ 3,797,554</u>	<u>\$ 18,259,717</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, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (2,190,522)
Amounts reported for governmental activities in the statement of activities are different because:	
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:	
Amortization deferred loss on refunding	(266,537)
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:	
Amortization bond premium/discount	118,599
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.	
Capital outlays	2,433,617
Depreciation expense	(6,367,701)
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.	
Accrued interest	61,407
Sick leave	154,659
Gain/(Loss) on sale of assets	(1,966)
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.	
KTRS on-behalf revenue	27,512,710
KTRS on-behalf pension expense	(27,348,710)
KTRS on-behalf OPEB expense	(164,000)
Pension expense	1,507,855
OPEB expense	3,174,699
Bond payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position.	
	<u>6,639,490</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,263,600</u></u>

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, 2024**

	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Favorable (Unfavorable)
REVENUES:				
From local sources:				
Taxes:				
Property	\$ 26,150,000	\$ 31,450,000	\$ 28,742,534	\$ (2,707,466)
Distilled spirits	240,000	240,000	286,262	46,262
Motor vehicle	2,900,000	3,000,000	3,605,797	605,797
Utilities	3,000,000	3,000,000	3,229,888	229,888
Unmined minerals	3,000	3,000	4,418	1,418
Tuition and fees	70,000	70,000	1,148,837	1,078,837
Earnings on investments	50,000	500,000	101,299	(398,701)
Other local revenues	201,284	208,501	221,626	13,125
Intergovernmental - State	51,374,017	51,936,779	53,012,449	1,075,670
Intergovernmental - Federal	200,000	537,595	545,902	8,307
TOTAL REVENUES	84,188,301	90,945,875	90,899,012	(46,863)
EXPENDITURES:				
Current:				
Instruction:	50,753,590	56,882,565	58,034,620	(1,152,055)
Support Services:				
Student	5,750,416	6,696,272	7,213,911	(517,639)
Instructional staff	3,004,881	3,563,854	3,470,978	92,876
District administration	1,063,931	1,041,265	966,363	74,902
School administration	8,092,293	8,567,557	8,087,288	480,269
Business	4,738,760	7,140,061	3,316,462	3,823,599
Plant operations and maintenance	8,506,079	10,002,311	9,332,008	670,303
Student transportation	8,191,847	8,976,130	6,825,556	2,150,574
Food service	52,670	13,270	13,270	-
Community Services	123,883	128,492	119,002	9,490
Non-instructional	-	81,430	42,353	39,077
TOTAL EXPENDITURES	90,278,350	103,093,207	97,421,811	5,671,396
Excess (Deficit) of Revenues over Expenditures	(6,090,049)	(12,147,332)	(6,522,799)	5,624,533
OTHER FINANCING SOURCES (USES):				
Operating transfers in	1,344,864	2,863,842	3,158,052	294,210
Operating transfers out	(1,396,622)	-	(150,812)	(150,812)
Proceeds from Sale of Assets	1,376	63,059	114,032	50,973
Contingency	(5,999,720)	(5,000,000)	-	5,000,000
TOTAL OTHER FINANCING SOURCES (USES):	(6,050,102)	(2,073,099)	3,121,272	5,194,371
Net Change in Fund Balances	(12,140,151)	(14,220,431)	(3,401,527)	10,818,904
Fund balance - beginning of year	12,140,151	14,250,431	14,712,736	462,305
Fund balance - end of year	\$ -	\$ 30,000	\$ 11,311,209	\$ 11,281,209

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, 2024**

	SPECIAL REVENUE FUND			VARIANCE Favorable (Unfavorable)
	BUDGETED AMOUNTS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
From local sources:				
Earnings on investments	\$ 19,163	\$ -	\$ 137,536	\$ 137,536
Other local revenues	154,927	152,124	332,800	180,676
Intergovernmental - State	5,311,800	4,657,577	4,507,116	(150,461)
Intergovernmental - Federal	5,989,128	7,298,519	10,000,296	2,701,777
TOTAL REVENUES	<u>11,475,018</u>	<u>12,108,220</u>	<u>14,977,748</u>	<u>2,869,528</u>
EXPENDITURES:				
Current:				
Instruction:	11,106,965	7,127,262	7,994,970	(867,708)
Support Services:				
Student	251,239	1,330,386	1,298,537	31,849
Instructional staff	1,458,322	2,010,190	1,469,508	540,682
District administration	13,141	-	-	-
School administration	848,124	671,699	674,386	(2,687)
Business	2,474,981	1,000	982,964	(981,964)
Plant operations and maintenance	-	-	-	-
Student transportation	200,000	-	717,675	(717,675)
Food service	-	-	-	-
Day care	61,894	191,504	1,187,164	(995,660)
Community services	759,490	770,929	813,515	(42,586)
Non-instructional	-	-	-	-
TOTAL EXPENDITURES	<u>17,174,156</u>	<u>12,102,970</u>	<u>15,138,719</u>	<u>(3,035,749)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(5,699,138)</u>	<u>5,250</u>	<u>(160,971)</u>	<u>(166,221)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	893,594	-	1,418,312	1,418,312
Operating transfers out	24,783	(5,250)	(1,257,340)	(1,252,090)
Contingency	(265)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES):	<u>918,112</u>	<u>(5,250)</u>	<u>160,972</u>	<u>166,222</u>
Net Change in Fund Balances	(4,781,026)	-	1	1
Fund balance - beginning of year	-	-	3,944	3,944
Fund balance - end of year	<u>\$ (4,781,026)</u>	<u>\$ -</u>	<u>\$ 3,945</u>	<u>\$ 3,945</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	FOOD SERVICE FUND	DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	NON-MAJOR JESSAMINE PROUD FUND	TOTAL PROPRIETARY FUNDS
ASSETS:					
Current Assets					
Cash and cash equivalents	\$ 814,880	\$ 1,291,376	\$ 22,925	\$ 1,575	\$ 2,130,756
Accounts receivable	53,393	-	-	-	53,393
Inventory	86,131	-	-	-	86,131
Total Current Assets	<u>954,404</u>	<u>1,291,376</u>	<u>22,925</u>	<u>1,575</u>	<u>2,270,280</u>
Noncurrent Assets					
Net OPEB Asset - CERS	62,643	24,169	-	-	86,812
Machinery & equipment	1,706,199	-	-	-	1,706,199
Accumulated depreciation	(1,254,632)	-	-	-	(1,254,632)
Total Noncurrent Assets	<u>514,210</u>	<u>24,169</u>	<u>-</u>	<u>-</u>	<u>538,379</u>
TOTAL ASSETS	<u>1,468,614</u>	<u>1,315,545</u>	<u>22,925</u>	<u>1,575</u>	<u>2,808,659</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension Plan - CERS	457,217	50,571	-	-	507,788
OPEB - CERS	316,539	122,130	-	-	438,669
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>773,756</u>	<u>172,701</u>	<u>-</u>	<u>-</u>	<u>946,457</u>
LIABILITIES:					
Current Liabilities					
Accounts payable	112,173	245	216	-	112,634
Noncurrent Liabilities					
Net pension liability - CERS	739,872	205,815	-	-	945,687
Net OPEB liability - CERS	-	-	-	-	-
Total Noncurrent Liabilities	<u>739,872</u>	<u>205,815</u>	<u>-</u>	<u>-</u>	<u>945,687</u>
TOTAL LIABILITIES	<u>852,045</u>	<u>206,060</u>	<u>216</u>	<u>-</u>	<u>1,058,321</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Plan - CERS	541,194	87,665	-	-	628,859
OPEB - CERS	1,119,118	431,788	-	-	1,550,906
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,660,312</u>	<u>519,453</u>	<u>-</u>	<u>-</u>	<u>2,179,765</u>
NET POSITION:					
Net Investment in Capital Assets	451,567	-	-	-	451,567
Restricted	842,231	-	-	-	842,231
Unrestricted	(1,563,785)	762,733	22,709	1,575	(776,768)
TOTAL NET POSITION	<u>\$ (269,987)</u>	<u>\$ 762,733</u>	<u>\$ 22,709</u>	<u>\$ 1,575</u>	<u>\$ 517,030</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, 2024

	FOOD SERVICE FUND	DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	NON-MAJOR JESSAMINE PROUD FUND	TOTAL PROPRIETARY FUNDS
OPERATING REVENUES:					
Lunchroom sales	\$ 7,522	\$ -	\$ -	\$ -	\$ 7,522
Other operating revenues	58,300	740,589	49,211	1,574	849,674
TOTAL OPERATING REVENUES	65,822	740,589	49,211	1,574	857,196
OPERATING EXPENSES:					
Salaries and wages	2,009,486	819	7,300	-	2,017,605
Employee benefits	1,341,314	145,394	2,075	-	1,488,783
Contract services	169,490	22,825	38,991	-	231,306
Materials and supplies	3,341,573	24,389	11,971	-	3,377,933
Property	-	-	-	-	-
Miscellaneous	11,964	7,583	-	-	19,547
Depreciation	80,767	-	-	-	80,767
TOTAL OPERATING EXPENSES	6,954,594	201,010	60,337	-	7,215,941
Operating income (loss)	<u>(6,888,772)</u>	<u>539,579</u>	<u>(11,126)</u>	<u>1,574</u>	<u>(6,358,745)</u>
NON-OPERATING REVENUES (EXPENSES)					
Federal grants	5,452,790	-	-	-	5,452,790
Federal commodities	376,230	-	-	-	376,230
State grants	467,408	173	1,678	-	469,259
Gain (Loss) on sale	1,276	-	-	-	1,276
Interest income	53,325	-	1,241	1	54,567
NON-OPERATING REVENUES (EXPENSES)	6,351,029	173	2,919	1	6,354,122
Net income (loss) before operating transfers	(537,743)	539,752	(8,207)	1,575	(4,623)
Operating transfers	<u>(422,513)</u>	<u>(213,857)</u>	<u>-</u>	<u>-</u>	<u>(636,370)</u>
Change in net position	(960,256)	325,895	(8,207)	1,575	(640,993)
Total net position - beginning of year	690,269	436,838	30,916	-	1,158,023
Total net position - end of year	<u>\$ (269,987)</u>	<u>\$ 762,733</u>	<u>\$ 22,709</u>	<u>\$ 1,575</u>	<u>\$ 517,030</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	FOOD SERVICE FUND	DAY CARE FUND	NON-MAJOR ARTS PLUS FUND	NON-MAJOR JESSAMINE PROUD FUND	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 48,535	\$ 740,589	\$ 49,211	\$ 1,574	\$ 839,909
Cash paid to suppliers	(3,172,989)	(55,071)	(54,046)	-	(3,282,106)
Cash paid to employees	(2,692,143)	(1,063)	(7,697)	-	(2,700,903)
Net Cash Provided (Used) by Operating Activities	<u>(5,816,597)</u>	<u>684,455</u>	<u>(12,532)</u>	<u>1,574</u>	<u>(5,143,100)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers	(422,513)	(213,857)	-	-	(636,370)
Governmental grants	5,496,734	-	-	-	5,496,734
Net Cash Provided (Used) by Noncapital Activities	<u>5,074,221</u>	<u>(213,857)</u>	<u>-</u>	<u>-</u>	<u>4,860,364</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(13,616)	-	-	-	(13,616)
Loss on disposal	(1,276)	-	-	-	(1,276)
Net Cash Provided (Used) by Financing Activities	<u>(14,892)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of equipment	5,992	-	-	-	5,992
Interest received	53,325	-	1,241	1	54,567
Net Cash Provided (Used) by Investing Activities	<u>59,317</u>	<u>-</u>	<u>1,241</u>	<u>1</u>	<u>60,559</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(697,951)	470,598	(11,291)	1,575	(237,069)
Cash and cash equivalents - beginning of year	<u>1,512,831</u>	<u>820,778</u>	<u>34,216</u>	<u>-</u>	<u>2,367,825</u>
Cash and cash equivalents - end of year	<u>\$ 814,880</u>	<u>\$ 1,291,376</u>	<u>\$ 22,925</u>	<u>\$ 1,575</u>	<u>\$ 2,130,756</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (6,888,772)	\$ 539,579	\$ (11,126)	\$ 1,574	\$ (6,358,745)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:					
Cash from Operating Activities:					
Federal commodities	376,230	-	-	-	376,230
On-behalf payments	424,740	173	1,678	-	426,591
Depreciation	80,767	-	-	-	80,767
Changes in Assets and Liabilities:					
Accounts Receivable	(17,287)	-	-	-	(17,287)
Inventory	(23,828)	-	-	-	(23,828)
Deferred outflows	(147,447)	(90,268)	-	-	(237,715)
Accounts payable	(2,364)	(274)	(3,084)	-	(5,722)
Deferred inflows	1,003,334	492,790	-	-	1,496,124
Net pension liability	(309,757)	(119,513)	-	-	(429,270)
Net OPEB liability	(312,213)	(138,032)	-	-	(450,245)
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,816,597)</u>	<u>\$ 684,455</u>	<u>\$ (12,532)</u>	<u>\$ 1,574</u>	<u>\$ (5,143,100)</u>
Schedule of non-cash transactions:					
Donated commodities received from federal government	\$ 376,230	\$ -	\$ -	\$ -	\$ 376,230
On-behalf payments	\$ 424,740	\$ 173	\$ 1,678	\$ -	\$ 426,591

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024**

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, 2024**

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, 2024**

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 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 major fund.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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.

(D) The Jessamine Proud Fund is used to account for the Jessamine proud program revenue and expenditures. The Jessamine Proud 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, 2024**

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, 2024, 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, 2024**

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, 2024**

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, 2024**

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, 2024 include \$332,549 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 \$6,173,599 at June 30, 2024. Fund balance in the Student Activity fund is restricted for student activities with a total of \$637,388 at June 30, 2024. Fund balance in the Special Revenue fund of \$3,945 at June 30, 2024 is restricted for grants.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, The District had committed fund balance for District activities of \$133,576 and Sick Leave Liability of \$424,634.
- *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, 2024, the District assigned \$418,559 for the FY2025 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, 2024**

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

Operating Revenues and Expenses(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).

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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.

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 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 has adopted the standard and determined it does not have a material effect on the financial statements.

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.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024 (the District's 2025 fiscal year). This standard is focused on additional disclosures about concentrations and constraints that may have a substantial impact on the District's financial statements. The District will apply this guidance if and when these types of risks occur.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025 (the District's 2026 fiscal year). This guidance clarifies management's responsibility for explaining key variances in management's discussion and analysis. The budget discussion will be deleted from the MD&A and governments will only report the budgetary comparison schedule in required supplementary information. Additional changes include classification of unusual or infrequent items, the reporting format for proprietary statements, and reporting major component units. This standard will have no impact on the District's financial net position, but will require a few edits in the MD&A narrative and the financial statement formats for Food Service and Child Care operations.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, the District's investments consisted of the following:

Governmental Activities:	<u>Cost</u>	<u>Fair Value</u>
Certificate of Deposit	\$100,000	\$100,000
United States Treasury	\$4,772,608	\$4,816,451

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 \$20,605,861. The bank balance for the same time was \$21,897,593. 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets not being depreciated:				
Land	\$6,127,939	\$2,813,341	\$0	\$8,941,280
Construction in Progress	17,450,637	81,771	17,454,762	77,645
Total Capital Assets not being depreciated	<u>23,578,576</u>	<u>2,895,112</u>	<u>17,454,762</u>	<u>9,018,925</u>
Other Capital Assets				
Land Improvements	3,172,106	0	0	3,172,106
Buildings & Improvements	202,034,078	15,368,440	0	217,402,518
Technological Equipment	1,065,016	591,182	277,019	1,379,179
Vehicles	9,999,059	809,118	1,531,579	9,276,598
General Equipment	1,643,779	224,527	97,947	1,770,359
Total Other Assets	<u>217,914,038</u>	<u>16,993,267</u>	<u>1,906,545</u>	<u>233,000,760</u>
Less accumulated depreciation for:				
Land Improvements	3,153,090	2,733	0	3,155,823
Buildings & Improvements	70,011,108	5,119,471	0	75,130,579
Technological Equipment	740,714	199,419	275,053	665,080
Vehicles	5,568,067	953,198	1,531,579	4,989,686
General Equipment	1,072,817	92,880	97,947	1,067,750
Total accumulated depreciation	<u>80,545,796</u>	<u>6,367,701</u>	<u>1,904,579</u>	<u>85,008,918</u>
Other Capital Assets, net	<u>137,368,244</u>	<u>10,625,567</u>	<u>1,966</u>	<u>147,991,844</u>
Governmental Activities, net	<u>\$160,946,820</u>	<u>\$13,520,679</u>	<u>\$17,456,728</u>	<u>\$157,010,770</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Technological Equipment	\$21,720	\$0	\$0	\$21,720
General Equipment	1,789,277	13,616	118,414	1,684,479
Total	<u>1,810,997</u>	<u>13,616</u>	<u>118,414</u>	<u>1,706,199</u>
Less accumulated depreciation for:				
Technological Equipment	12,298	1,346	0	13,643
General Equipment	1,275,265	79,421	113,698	1,240,989
Total accumulated depreciation	<u>1,287,563</u>	<u>80,767</u>	<u>113,698</u>	<u>1,254,632</u>
Business Activities, net	<u>\$523,434</u>	<u>(\$67,151)</u>	<u>\$4,716</u>	<u>\$451,568</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 - CAPITAL ASSETS (cont'd)

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

Governmental Activities:	
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, 2024**

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, 2024
2012QZAB	4,248,592	1.19%	4/1/1932	1,810,408
2014A	7,375,000	2.00% - 3.50%	8/1/2029	5,005,000
2014B	8,470,000	2.00% - 3.50%	9/1/2034	7,760,000
2014C	14,645,000	2.00% - 3.50%	2/1/2025	765,000
2015	14,925,000	2.00% - 3.50%	2/1/2026	5,795,000
2016R	18,420,000	1.00% - 2.125%	5/1/2028	6,690,000
2017	5,290,000	3.00% - 3.375%	6/1/2037	3,570,000
2018	6,115,000	3.00% - 3.875%	11/1/2038	6,045,000
2019	30,550,000	3.00% - 3.25%	6/1/2039	30,475,000
2021	14,170,000	2.00%	6/1/2041	13,979,098
2021R	19,170,000	2.00% - 2.20%	8/1/2032	19,180,902
	<u>\$143,378,592</u>			<u>\$101,075,408</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, 2024 for debt service (principal and interest) are as follows:

Year	Jessamine County School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2025	6,204,338	2,670,143	187,705	46,727	9,108,913
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	6,827,190	1,969,877	210,370	24,063	9,029,295
2029-2033	32,611,451	7,214,926	592,606	52,805	40,471,788
2034-2038	29,765,412	3,070,404	79,588	2,819	32,918,223
2039-2041	4,460,000	139,938	0	0	4,599,938
	<u>\$99,409,561</u>	<u>\$21,994,846</u>	<u>\$1,665,847</u>	<u>\$234,137</u>	<u>\$123,310,363</u>

In prior years the District has refinanced bonds, creating a deferred outflow of resources. The balance as of June 30, 2024 was 953,591 with \$266,537 of amortization recognized in the current year.

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds	\$107,714,898	\$0	\$6,639,490	\$101,075,408	\$6,392,043
Net Bond (Discount)/Premium	(591,287)	0	118,599	(709,886)	(118,599)
Sick Leave	973,725	29,238	153,696	849,267	177,236
Total	<u>\$108,097,336</u>	<u>\$29,238</u>	<u>\$6,911,785</u>	<u>\$101,214,789</u>	<u>\$6,450,680</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024 are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2025	\$8,494
2026	\$5,771
2027	\$1,967
2028	\$1,352
2029	\$340

Expenditures for equipment under short-term leases for the year ended June 30, 2024 totaled \$10,159.

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. 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/>.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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

Tier 1	Participation date Unreduced retirement Reduced retirement	Before September 1, 2008 27 years of service or 65 years old At least 5 years of service and 55 years old At least 25 years of service and any age
Tier 2	Participation date Unreduced retirement Reduced retirement	September 1, 2008 – December 31, 2013 At least 5 years of service and 65 years old Or age 57+ and the sum of service years plus age equal 87 At least 10 years of service and 60 years old
Tier 3	Participation date Unreduced retirement Reduced retirement	After December 31, 2013 At least 5 years of service and 65 years old Or age 57+ and the sum of service years plus age equal 87 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 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, 2024, employer contributions were established by the County Employees Retirement Systems in December 2022. 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 1. For fiscal year 2024, the employer contribution rate for CERS nonhazardous pensions was 23.34%. In fiscal year 2023, these rates were 23.4%. (See NOTE 7 for additional rate information for the OPEB plans.)

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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

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

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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 (supplemental benefit) 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. Additional benefits are provided for unmarried children under age 18 who are also survivors of the deceased member.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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.) The mandatory pension contribution for Tier 4 non-university employees hired on or after January 1, 2023, is 11%. Employer rates for Tier 4 are 10%. (See OPEB NOTE 7 for additional contribution rates.) 2% of the Tier 4 employee contribution is allocated to the supplemental benefit (defined contribution portion of Tier 4). Those employees may also voluntarily contribute an additional amount, not to exceed the earnings on a paycheck.

In 2019, the Kentucky General Assembly increased the employer contribution in the state's biennial budgets to reflect the actuarially determined rates, less the employee contribution. The current funding policy requires appropriations that are the sum of the fixed employer contribution rate set by state law and an additional amount to provide an actuarial determined employer contribution. The pension portion of the statutory (KRS 161.550) contributions for the state (as a nonemployer contributing entity) are as follows:

- 12.355% for nonuniversity members who joined prior to July 1, 2008;
- 13.355% for nonuniversity members who joined after July 1, 2008, but prior to January 1, 2022; or
- 10% for nonuniversity members who joined after January 1, 2022, with 8% to the foundational benefit and 2% to the supplemental benefit.
- See OPEB NOTE 7 for additional contribution rates.

The TRS Board is required to present the actuarially determined annual retirement appropriations payable by the state for Tiers 1, 2, and 3. Tier 4 is a defined contribution tier and does not require amortization of an unfunded liability. This actuarially determined rate is based on an actuarial analysis that is based on a valuation using the following:

- Entry Age Normal actuarial cost method;
- Five-year asset smoothing method;
- 30-year closed amortization period that began fiscal year 2014 to determine the minimum payment which cannot be less than the prior year until the plan reaches a 100% funded ratio;
- 20-year amortization of new sources of unfunded liability; and
- Achieving a 100% funding ratio with the closed period adopted by the Board.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

The 2022 Valuation was used to determine these rates for the state's 2023 fiscal year. The total ARC assessed to the State during FY 2023 was 30.665%.

In addition, the State's General Assembly may provide additional contributions to reduce the TRS unfunded liability. The state contributed an additional \$479 million in fiscal year 2022, but no additional amounts were contributed in fiscal year 2023. These additional contributions are not required by statute and are not included in the actuarial projection of future employer contributions.

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

At June 30, 2024, 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:

District's proportionate share of the CERS net pension liability	\$ 30,081,939
Commonwealth's proportionate share of TRS of Ky net pension liability associated with the District	<u>205,900,317</u>
Total	<u>\$ 235,982,256</u>

The net pension liability for each plan was measured as of June 30, 2023, 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 0.468821 percent. For the year ended June 30, 2024, the District recognized negative pension expense of \$1,741,420 related to CERS and expense of \$27,348,710 related to TRS of Ky. The District also recognized on-behalf revenue of \$12,385,153 for TRS of Ky support provided by the Commonwealth paid directly to TRS of Ky.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,557,284	\$ 81,741
Changes of assumptions	-	2,757,030
Net difference between projected and actual earnings on pension plan investments	3,249,701	3,660,035
Changes in proportion and differences between District contributions and proportionate share of contributions	761,425	18,547
District contributions subsequent to the measurement date	3,849,742	-
	<u>\$ 9,418,152</u>	<u>\$ 6,517,353</u>

\$3,849,742 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, 2025.

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

Year ended June 30:

2025	\$(354,522)
2026	\$(974,750)
2027	\$ 671,551
2028	\$(291,222)
2029	\$ -

Actuarial assumptions - The total pension liability in the June 30, 2023 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	2.50%	2.5%
Payroll growth rate	2.00%	N/A
Cost-of-living adjustment	0.0%	1.5%
Salary Increases	3.30% - 10.30%	3.0-7.5%
Investment rate of return	6.25%	7.1%
Municipal Bond Index Rate	N/A	3.66%

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

For CERS, mortality tables used for active members was the PUB-2014 General Mortality table for the non-hazardous system, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019. 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 rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 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. 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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>
Equity:	60.00%	
Public Equity	50.00%	5.90%
Private Credit	10.00%	11.73%
Fixed Income:	20.00%	
Core Bonds	10.00%	2.45%
High Yield Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected:	20.00%	
Real Estate	7.00%	4.99%
Real Return	<u>13.00%</u>	5.15%
Total	<u>100.00%</u>	
Expected Real Return		5.75%
Long Term Inflation Assumption		<u>2.50%</u>
Expected Nominal Return for Portfolio		<u>8.25%</u>

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed International Equity	15.7%	5.5%
Emerging Markets Equity	5.3%	6.1%
Fixed Income	15.0%	1.9%
High Yield Bonds	5.0%	3.8%
Other Additional Categories	5.0%	3.6%
Real Estate	7.0%	3.2%
Private Equity	7.0%	8.0%
Cash	<u>2.0%</u>	1.6%
Total	<u>100.0%</u>	

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.50%. 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 6.50%. 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	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 37,980,265	\$ 30,081,939	\$ 23,518,133
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	\$ 0	\$ 0	\$ 0

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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – RETIREMENT PLANS (cont'd)

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 6 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.

CERS Other Postemployment Benefits

Plan Description— All District employees participating in CERS are provided benefits through the nonhazardous plan. CERS health insurance benefits are 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, CERS 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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 CERS health plans. Members who began participating with CERS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the CERS health plans. Non-hazardous retirees receive \$10 toward the monthly premium for each full year of service.

Contributions—CERS allocates a portion of the employer contributions to the health insurance benefit plans. Beginning with the 2023 measurement, the CERS nonhazardous OPEB plan was over funded and employer contributions were decreased to zero. CERS allocated 0.0% in FY 2024 and 3.39% in FY 2023 for the actuarially required contribution rate paid by employers for funding the nonhazardous healthcare benefit. In addition, 1% of the Tier 2 and 3 employee contributions are allocated to the health insurance plan for nonhazardous plans.

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

At June 30, 2024, the District reported an asset of \$647,261 for its proportionate share of the CERS collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB asset 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, 2023, the District's proportion was 0.468803 percent. The District recognized a negative OPEB expense of \$1,317,630 as the OPEB liability and the related deferred outflows of resources decreased and deferred inflows of resources increased.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

CERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 451,239	\$ 9,190,457
Changes of assumptions	1,273,764	887,686
Net difference between projected and actual earnings on OPEB plan investments	1,211,323	1,361,540
Changes in proportion and differences between District contributions and proportionate share of contributions	334,337	123,697
District contributions subsequent to the measurement date	-	-
	<u>\$ 3,270,663</u>	<u>\$ 11,563,380</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

No district contributions subsequent to the measurement date were reported in deferred outflows since the plan is overfunded and no employer contributions will be assessed until the funded status declines.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (2,041,161)
2026	\$ (2,570,521)
2027	\$ (1,935,113)
2028	\$ (1,745,922)
2029	\$ -
Thereafter	\$ -

Actuarial assumptions – The total OPEB liability in the June 30, 2023 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
Inflation rate	2.50%
Healthcare cost trend rates:	
Under 65	Initial trend rate starts at 6.40%, January 2023, 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 6.30%, January 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Municipal Bond Index Rate	3.86%
Discount Rate	5.93% non-hazardous

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 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, 2023 valuation were based on an actuarial experience study as of June 30, 2022, and adopted by the CERS Board in May 2023. The investment return, price inflation, and payroll growth assumption were adopted by the Board in May 2023 for use with the June 30, 2023 valuation to reflect future economic expectations.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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 2.5% per annum for the nonhazardous plan.

The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized the table below.

<u>Asset Class</u>	Target <u>Allocation</u>	Long-Term Expected <u>Real Rate of Return</u>
Equity:	60.00%	
Public Equity	50.00%	5.90%
Private Credit	10.00%	11.73%
Fixed Income:	20.00%	
Core Bonds	10.00%	2.45%
High Yield Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected:	20.00%	
Real Estate	7.00%	4.99%
Real Return	<u>13.00%</u>	5.15%
Total	<u>100.00%</u>	
Expected Real Return		5.75%
Long Term Inflation Assumption		<u>2.50%</u>
Expected Nominal Return for Portfolio		<u>8.25%</u>

Discount rate – The single discount rate of 5.93% for CERS nonhazardous was used to measure the total OPEB liability as of June 30, 2023. The Single discount rate is based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2023. 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 (the Kentucky General Assembly reset the amortization period to 30 years in 2020) 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (cont’d)

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 5.93%, 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 (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	4.93%	5.93%	6.93%
District's proportionate share			
of net OPEB liability	\$ 1,214,661	\$ (647,261)	\$ (2,206,393)

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:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
CERS			
District's proportionate share			
of net OPEB liability	\$ (2,074,584)	\$ (647,261)	\$ 1,106,071

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/>.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

TRS of Ky Postemployment Health Care Benefits

The Commonwealth of Kentucky (State) reports a liability, deferred outflows of resources and deferred inflows of resources, and expense based on the 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 H, 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, 2023. The Commonwealth of Kentucky contributes three quarters percent (.75%) from a state appropriation and local school district employers contribute three percent (3.00%). Contributions are based on statutory provisions, not an actuarially determined contribution rate.

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

At June 30, 2024, the District reported a liability of 15,406,000 for its proportionate share of the collective net OPEB liability for medical insurance. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.632540 percent.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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	\$ 15,406,000
State's proportionate share of the net OPEB liability associated with the District	<u>12,985,000</u>
Total	<u>\$ 28,391,000</u>

For the year ended June 30, 2024, the District recognized a decrease in OPEB expense of \$1,244,612. In addition, the District recognized on-behalf revenue and expenses of \$1,010,217 for support provided by the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

KTRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,222,000
Changes of assumptions	3,502,000	-
Net difference between projected and actual earnings on OPEB plan investments	288,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,782,000	5,606,000
District contributions subsequent to the measurement date	<u>1,408,169</u>	<u>-</u>
	<u>\$ 10,980,169</u>	<u>\$ 10,828,000</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,408,169 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, 2025.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (482,000)
2026	\$ (395,000)
2027	\$ 462,000
2028	\$ 157,000
2029	\$ (452,000)
Thereafter	\$ (546,000)

Actuarial assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Long-term investment rate of return	7.1%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 – 7.20%, including inflation
Inflation rate	3.00%
Wage Inflation	3.50%
Single Equivalent Interest Rate	7.10%, net of OPEB Plan investment expense, including inflation
Healthcare cost trend rates	
Medical Trend	6.75% for FYE 2023 decreasing to an ultimate rate of 4.50% by FY 2032
Medicare Part B Premiums	1.55% for FYE 2023 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, 2023 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2022 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation. The health care cost trend assumption was updated for the June 30, 2022 valuation and wash show 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>
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed Internation Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	9.0%	1.9%
High Yield Bonds	8.0%	3.8%
Other Additional Categories	9.0%	3.7%
Real Estate	6.5%	3.2%
Private Equity	8.5%	8.0%
Cash	1.0%	1.6%
Total	<u>100.0%</u>	

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2022 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
 - 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 (Schedule B). 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
KTRS	6.10%	7.10%	8.10%
District's proportionate share			
of MIF net OPEB liability	\$ 19,816,000	\$ 15,406,000	\$ 11,762,000

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:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
KTRS			
District's proportionate share			
of net OPEB liability	\$ 11,091,000	\$ 15,406,000	\$ 20,779,000

OPEB plan fiduciary net position – 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.

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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Contributions – The Commonwealth of Kentucky contributed 0.08% of salary to the Life Insurance Trust for the fiscal year ended June 30, 2024 and 0.08% for fiscal year June 30, 2023. The actuarial determined contribution rate for FY 24 was 0.08% and 0.08% for FY 23.

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

At June 30, 2024, 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>321,000</u>
Total	<u>\$ 321,000</u>

For the year ended June 30, 2024, the District recognized OPEB revenue and expense of \$31,961 for support provided by the State.

Actuarial assumptions – The total OPEB liability in the June 30, 2023 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	3.50 – 7.20%, including inflation
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
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, 2023 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 – POST-EMPLOYMENT HEALTH CARE BENEFITS (cont’d)

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend assumption was updated for the June 30, 2023 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	40.0%	5.2%
Developed Internation Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	21.0%	1.9%
Other Additional Categories	5.0%	4.0%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Cash	2.0%	1.6%
Total	100.0%	

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, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 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 Statutory Contribution in accordance with the Life Trust’s funding policy.
- Administrative expenses were assumed to 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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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.TRS of Ky.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, 2024, this amount totaled \$849,267. 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.

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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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.

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

The Food Service Fund is operating as a deficit fund balance of \$269,987 at June 30, 2024. 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:

District Activity	\$37,628
General Fund	\$3,401,527
Food Service	\$960,256
Art Plus	\$8,207

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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	150,812
Special Revenue	General	Indirect Costs	195,460
Special Revenue	Special Revenue	Transfers Between Projects	1,061,880
Capital Outlay	General	Capital Funds Request	45,000
Capital Outlay	Construction	Construction	7,770
Building	General	Capital Funds Request	2,486,842
Building	Construction	Construction	1,111,530
Building	Debt Service	Debt Service	8,874,678
Construction	Building	Residual Funds	783,510
Food Service	General	Indirect Costs	422,513
Day Care	General	Indirect Costs	8,237
Day Care	Special Revenue	Indirect Costs	205,620

NOTE 15 - ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the Commonwealth of Kentucky contributed estimated payments on behalf of the District as follows:

Kentucky Teachers Retirement System	\$ 13,427,331
Health & Life Insurance	11,697,252
Technology	140,260
Debt Service	234,435
Recognized at the Fund Level	<u>25,499,278</u>
Additional pension & OPEB expense recognized at the Government-Wide Level	27,512,710
Total On-Behalf	<u>\$ 53,011,988</u>

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	\$ 24,838,252
Food Service Fund	424,740
Debt Service Fund	234,435
Day Care Fund	173
Arts Plus Fund	1,678
Total	<u>\$ 25,499,278</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.

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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 8, 2024, the date the financial statements were available to be issued.

NOTE 18 – RISKS AND UNCERTAINTIES

Prior to the year ended June 30, 2024, 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.

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, 2024**

	Reporting Fiscal Year (Measurement Date) 2024 (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)
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
District's proportion of the net pension liability	0.468821%	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	\$ 30,081,939	\$ 33,282,523	\$ 28,211,635	\$ 34,931,564	\$ 31,301,620	\$ 26,866,040	\$ 26,625,466	\$ 23,013,507	\$ 20,090,315	\$ 14,888,816
District's covered-employee payroll	\$ 13,907,889	\$ 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	216.29%	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	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of the net pension liability	-	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability associated with the District	\$ 205,900,317	\$ 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	\$ 205,900,317	\$ 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	\$ 46,696,530	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	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, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
COUNTY EMPLOYEES RETIREMENT SYSTEM:											
Contractually required contribution	\$ 3,849,742	\$ 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>3,849,742</u>	<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	\$ 16,494,182	\$ 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	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.62%	18.68%	17.14%	12.50%	17.83%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:											
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 51,144,054	\$ 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%	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, 2024**

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.

2023 Changes of Assumptions –The inflation rate was increased to 2.5% and the investment rate of return was increased to 6.5%. The system specific mortality table was revised to MP-2020 and the base year was changed to 2023.

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 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:

Assumption	2017 Valuation	2016 Valuation
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	2.30%	3.25%
Salary Increase	3.3% to 11.55% varies by service), average, including Inflation	4% , average, including Inflation
Investment Rate of Return	6.25% , Net of Pension Plan Investment Expense, including Inflation	7.5% , Net of Pension Plan Investment Expense, including Inflation

**JESSAMINE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
FOR THE YEAR ENDED JUNE 30, 2024**

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:

2023 – No changes to benefits or assumptions

2022 Changes of Benefit Terms – A new benefit tier was added for members joining TRS on and after January 1, 2022. Tier 4 includes a foundational benefit (defined benefit) and a supplemental benefit (defined contribution). The foundational benefit changes the condition for retirement to attainment of age 57 and 10 years of service or age 65 and 5 years of service. Members hired before July 1, 2008, were eligible for retirement with 27 years of service or at age 55 with 5 years of service. Members hired after July 1, 2008, but before January 1, 2022, were eligible with 27 years of service, or at age 50 with 5 years of service, or at age 55 with 10 years of service. Multipliers based on service are slightly higher for Tier 4 members.

The supplemental benefit is based on an account balance that includes member and employer contributions plus interest credited annually on June 30. Tier 4 members may opt for an annuitized or lump sum distribution.

2022 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, 2024**

	Reporting Fiscal Year (Measurement Date) 2024 (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)
COUNTY EMPLOYEES RETIREMENT SYSTEM:							
District's proportion of the net OPEB liability	0.468803%	0.460343%	0.442378%	0.455303%	0.444956%	0.441115%	0.454879%
District's proportionate share of the net OPEB liability (asset)	\$ (647,261)	\$ 9,084,932	\$ 8,469,105	\$ 10,994,183	\$ 7,483,959	\$ 7,831,829	\$ 9,144,624
District's covered-employee payroll	\$ 13,907,889	\$ 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 (asset) as a percentage of its covered-employee payroll	-4.65%	69.60%	78.23%	98.02%	69.35%	72.32%	82.56%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:							
District's proportion of the net OPEB liability	0.632540%	0.859574%	0.639742%	0.615550%	0.590980%	0.558300%	0.573386%
District's proportionate share of the net OPEB liability	\$ 15,406,000	\$ 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	\$ 12,985,000	\$ 7,010,000	\$ 11,148,000	\$ 12,444,000	\$ 13,968,000	\$ 16,694,000	\$ 16,701,000
Total	<u>\$ 28,391,000</u>	<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	\$ 46,696,530	\$ 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	32.99%	46.62%	33.60%	39.97%	47.74%	54.08%	57.94%
Plan fiduciary net position as a percentage of the total OPEB liability	52.97%	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, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEES RETIREMENT SYSTEM:								
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	-	569,560	744,050	539,583	560,908	595,005	513,871	523,857
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 16,494,182	\$ 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	0.00%	4.28%	5.78%	4.76%	4.76%	5.26%	4.75%	4.73%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:								
Contractually required contribution	\$ 1,408,169	\$ 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	1,408,169	1,198,557	1,140,487	1,135,547	1,087,462	1,029,058	994,507	982,372
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 46,948,447	\$ 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%	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, 2024**

COUNTY EMPLOYEES RETIREMENT SYSTEM:

Valuation Date: June 30, 2023

2023 Changes in Actuarial Assumptions: Investment return assumption was raised to 6.50% for the actuarial valuation and the municipal bond rate was raised 3.86%. The single discount rate for the 2023 measurement was increased to 5.93%. Contributions in the 2023 measurement period were based on the 2021 valuation that used an investment return of 6.25%, inflation of 2.3%, and salary increases of 3.3% to 10.30%, depending on service.

2022 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, 2023

2023 Changes to Actuarial Assumptions:

- Health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.

2022 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.

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, 2024**

	Reporting Fiscal Year (Measurement Date) 2024 (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)
KENTUCKY TEACHER'S RETIREMENT SYSTEM:							
District's proportion of the net OPEB liability	0%	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	\$ 321,000	\$ 148,000	\$ 148,000	\$ 376,000	\$ 325,000	\$ 286,000	\$ 224,000
Total	<u>\$ 321,000</u>	<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	\$ 46,696,530	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	76.91%	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, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017
KENTUCKY TEACHER'S RETIREMENT SYSTEM:								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 46,948,447	\$ 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%	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, 2024**

KENTUCKY TEACHER'S RETIREMENT SYSTEM:

Valuation Date: June 30, 2023

2022 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.

2021 Changes to benefits:

- Tier 4 was added for members joining the system on and after January 1, 2022. Changes to the Life insurance benefit include:
 - \$5,000 for retired members if hired prior to January 1, 2022.
 - \$10,000 for retired members if hired on or after January 1, 2022.
 - \$2,000 for active contributing members if hired prior to January 1, 2022.
 - \$5,000 for active contributing members if hired on or after January 1, 2022.

JESSAMINE COUNTY SCHOOL DISTRICT
SUPPLEMENTAL SCHEDULES

**JESSAMINE COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	DISTRICT ACTIVITY FUND	STUDENT ACTIVITY FUND	FSPK BUILDING FUND	CONSTRUCTION FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS:						
Cash and cash equivalents	\$ 133,576	\$ 637,388	\$ 1,565,350	\$ 1,533,631	\$ -	\$ 3,869,945
Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	\$ 133,576	\$ 637,388	\$ 1,565,350	\$ 1,533,631	\$ -	\$ 3,869,945
LIABILITIES:						
Accounts payable	-	-	-	72,391	-	72,391
TOTAL LIABILITIES	-	-	-	72,391	-	72,391
FUND BALANCES:						
Committed	133,576	-	-	-	-	133,576
Restricted	-	637,388	1,565,350	1,461,240	-	3,663,978
TOTAL FUND BALANCES	133,576	637,388	1,565,350	1,461,240	-	3,797,554
TOTAL LIABILITIES AND FUND BALANCES	\$ 133,576	\$ 637,388	\$ 1,565,350	\$ 1,533,631	\$ -	\$ 3,869,945

**JESSAMINE COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024**

	DISTRICT ACTIVITY FUND	STUDENT ACTIVITY FUND	FSPK BUILDING FUND	CONSTRUCTION FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES:						
From local sources:						
Taxes:						
Property	\$ -	\$ -	9,611,943	\$ -	\$ -	9,611,943
Earnings on investments	-	46,394	275,909	38,716	-	361,019
Tuition	76,296	-	-	-	-	76,296
Fees	41,231	839,646	-	-	-	880,877
Other	127,308	763,615	3,670	-	-	894,593
Intergovernmental - State	-	-	1,833,534	-	234,435	2,067,969
TOTAL REVENUES	<u>244,835</u>	<u>1,649,655</u>	<u>11,725,056</u>	<u>38,716</u>	<u>234,435</u>	<u>13,892,697</u>
EXPENDITURES:						
Current:						
Instruction	282,463	1,564,654	-	-	-	1,847,117
Instructional staff support	-	-	-	-	-	-
Non-instructional	-	-	-	-	-	-
Debt service	-	-	-	-	9,109,113	9,109,113
Capital Outlay	-	-	-	81,770	-	81,770
TOTAL EXPENDITURES	<u>282,463</u>	<u>1,564,654</u>	<u>-</u>	<u>81,770</u>	<u>9,109,113</u>	<u>11,038,000</u>
Excess (Deficit) of Revenues over Expenditures	<u>(37,628)</u>	<u>85,001</u>	<u>11,725,056</u>	<u>(43,054)</u>	<u>(8,874,678)</u>	<u>2,854,697</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	783,510	1,119,300	8,874,678	10,777,488
Operating transfers out	-	-	(12,473,050)	(783,510)	-	(13,256,560)
TOTAL OTHER FINANCING SOURCES (USES):	<u>-</u>	<u>-</u>	<u>(11,689,540)</u>	<u>335,790</u>	<u>8,874,678</u>	<u>(2,479,072)</u>
Net Change in Fund Balances	(37,628)	85,001	35,516	292,736	-	375,625
Fund balance - beginning of year	171,204	552,387	1,529,834	1,168,504	-	3,421,929
Fund balance - end of year	<u>\$ 133,576</u>	<u>\$ 637,388</u>	<u>\$ 1,565,350</u>	<u>\$ 1,461,240</u>	<u>\$ -</u>	<u>\$ 3,797,554</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 SCHOOL ACTIVITY FUNDS
 For The Year Ended June 30, 2024**

	Due To Student Groups June 30, 2023	Revenues	Expenses	Due To Student Groups June 30, 2024
East Jessamine High School	\$ 62,621	\$ 467,609	\$ 458,566	\$ 71,664
West Jessamine High School	141,684	642,074	630,582	153,176
The Providence School	14,601	9,178	7,020	16,759
East Jessamine Middle School	64,225	150,712	155,197	59,740
West Jessamine Middle School	86,636	174,963	158,413	103,186
Brookside Elementary	12,544	30,064	26,303	16,305
Jessamine Early Learning Village	5,664	20,108	9,577	16,195
Jessamine Career and Tech. Center	74,589	195,036	154,906	114,719
Nicholasville Elementary	13,703	14,868	17,834	10,737
Red Oak	15,924	18,677	23,826	10,775
Rosenwald Dunbar Elementary	35,924	47,828	35,981	47,771
Warner Elementary	7,482	16,962	18,211	6,233
Wilmore Elementary School	16,790	23,862	30,524	10,128
	<u>552,387</u>	<u>1,811,941</u>	<u>1,726,940</u>	<u>637,388</u>
Interfund Transfers		(162,286)	(162,286)	
	<u>\$ 552,387</u>	<u>\$ 1,649,655</u>	<u>\$ 1,564,654</u>	<u>\$ 637,388</u>

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
EAST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

ACCOUNTS:	Due To Student Groups June 30, 2023	Revenues	Expenses	Due To Student Groups June 30, 2024
ACADEMIC	\$ 2,125	\$ 300	1,220	\$ 1,205
AP-BIO	-	-	-	-
AP-TEST	1,004	3,884	2,820	2,068
APEX	-	-	-	-
ARCHERY	13,109	2,546	9,298	6,357
ART	59	294	270	83
ATH BOYS BASKETBALL	-	2,376	-	2,376
ATH BOYS GOLF	-	200	160	40
ATH BOYS SOCCER	-	1,405	-	1,405
ATH BARBELLS	-	1,633	1,633	-
ATH BASEBALL	-	7,370	5,084	2,286
ATH BASS FISHING	-	850	25	825
ATH BOWLING	-	7,314	4,192	3,122
ATH C CHEERLEADING	-	6,965	6,365	600
ATH DANCE	-	1,262	1,262	-
ATH E SPORTS	-	575	-	575
ATH FOOTBALL	3,119	10,119	13,036	202
ATH GIRLS BASKETBALL	-	450	56	394
ATH GIRLS SOCCER	-	1,000	-	1,000
ATH HYPE	-	350	-	350
ATH SWIM	-	355	355	-
ATH TENNIS	-	2,120	1,435	685
ATH VOLLEYBALL	-	1,000	400	600
ATH WRESTLING	-	720	233	487
ATHLETICS	11,416	118,726	122,535	7,607
BETA	-	3,980	3,753	227
CHOIR	-	335	335	-
CHORUS	3	104,263	99,729	4,537
COKE	2,770	226	659	2,337
COLLEGE	-	-	-	-
COLOR GUARD	250	5,167	2,678	2,739
COMMUNITY	-	-	-	-
DRAMA	3,971	5,907	5,938	3,940
DANCE BLUE	1,054	2,302	3,356	-
DUAL CREDIT	1,373	14,793	13,140	3,026
ENROLLMENT	-	100	-	100
FIELD-TRIP	10	55,541	55,000	551
FRC	93	-	-	93
GENERAL	3,114	36,778	38,922	970
GOVERNMENT	5,207	8,108	12,254	1,061
GRAD FUND	3,046	1,841	4,585	302
GUIDANCE	-	-	-	-
HOMELESS	-	-	-	-
HONOR	-	-	-	-
INCENTIVE ACCOUNT	-	-	-	-
IPAD	-	-	-	-
JCTC	-	4,454	4,454	-
LANG ARTS	-	-	-	-
RECYCLING	250	-	250	-
MATH	-	-	-	-
MENTORING	-	500	-	500
ORCHESTRA	-	-	-	-
PROM	48	15,040	10,445	4,643
SCHOLARSHIP	-	693	693	-
SCIENCE	502	-	77	425
SOCIAL STU	-	-	-	-
SOS	555	-	-	555
SPANISH	-	-	-	-
SPECIAL ED	-	-	-	-
SPEECH	-	-	-	-
STORE	4,115	21,790	15,975	9,930
TECHNOLOGY	5,398	12,627	14,594	3,431
TRIPLE A	-	-	-	-
TUITION	-	1,350	1,350	-
VENDING	30	-	-	30
SUBTOTALS	\$ 62,621	\$ 467,609	\$ 458,566	\$ 71,664

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
WEST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

ACCOUNTS:	Due To Student Groups June 30, 2023	Receipts	Disbursements	Due To Student Groups June 30, 2024
ACADEMIC	\$ 33	\$ -	\$ -	\$ 33
ABIE DOBIE	-	3,433	500	2,933
ACT WORKSHOP	-	1,400	813	587
ACTIVITY CARD	4,838	16,238	17,013	4,063
ALGEBRA	290	-	-	290
ART	841	100	249	692
ATHLETICS	48,805	312,737	314,265	47,277
BETA	884	2,703	2,366	1,221
BLOOD DRIVE	-	954	954	-
CHOIR	343	10,322	9,980	685
CHOIR TRIP	-	-	-	-
CLASS TRIP	5,928	99,604	93,553	11,978
DANCE BLUE	2,007	-	-	2,007
DRAMA	2,484	4,789	7,098	175
DRIVERS ED	-	-	-	-
FCA	127	100	23	204
FILD TRIP	660	8,133	7,707	1,086
FITNESS	462	586	379	669
FRENCH	59	-	-	59
FRISBEE	2,613	100	2,502	211
GENERAL	14,569	36,482	40,571	10,480
GUIDANCE	10,961	6,999	8,145	9,815
GUITAR	-	-	-	-
HOMECOMING	1,314	1,176	1,585	905
INSTRUCT	12,228	60,536	66,093	6,671
JAG	-	414	237	177
LIFE SKILL	264	1,353	1,052	565
LEADERSHIP	560	-	-	560
MATH	68	-	2	66
MUSICAL	-	-	-	-
NATIONAL HONOR	923	1,805	1,679	1,049
POSTAGE	200	-	140	60
PROM	1,309	16,266	13,931	3,644
PSAT	1,931	1,478	1,196	2,213
RHO KAPPA	367	317	298	386
SHOW CHOIR	165	17,924	14,181	3,908
SCIENCE	5,473	665	518	5,620
SENATE	3,536	5,318	5,503	3,351
SUMMER SCH	13,005	1,525	-	14,530
SOCIAL JUSTICE	-	2,900	2,183	717
SPEECH	-	-	-	-
STORE	1,201	238	1,439	-
TEACHER	134	950	291	793
TECHNOLOGY	36	-	36	-
TECH CLUB	354	2,353	2,707	-
THEATRE	-	15,451	4,870	10,581
THESPIAN	-	305	305	-
THESPIAN S	-	50	50	-
VENDING	656	870	344	1,182
WEBSTER	167	-	55	112
WORLD LANGUAGE CLUB	-	-	-	-
Y - CLUB	126	5,500	4,872	754
YOUTH SERVICE CENTER	1,763	-	897	866
TOTALS	\$ 141,684	\$ 642,074	\$ 630,582	\$ 153,176

**JESSAMINE COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
THE PROVIDENCE SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>ACCOUNTS:</u>	Due To Student Groups June 30, 2023	Receipts	Disbursements	Due To Student Groups June 30, 2024
ARCHERY FUND	\$ 10,000	\$ -	\$ -	\$ 10,000
ART	-	100	-	100
EMPTY BOWL	2,912	6,419	4,150	5,181
FRC	-	450	-	450
FEES	-	-	-	-
GENERAL	1,559	2,209	2,870	898
GRADUATION FUND	-	-	-	-
SENIOR FUND	-	-	-	-
YEARBOOK	-	-	-	-
TEACHER FUND	130	-	-	130
TOTALS	<u>\$ 14,601</u>	<u>\$ 9,178</u>	<u>\$ 7,020</u>	<u>\$ 16,759</u>

JESSAMINE COUNTY BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2024

<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>
Passed Through Kentucky Department of Education			
United States Department of Agriculture			
Child Nutrition Cluster-Cluster			
Child Nutrition Cluster-Cluster			
United States Department of Agriculture			
National School Lunch Program (NSLP)			
National School Lunch Program (NSLP)	10.555	4002486 COMMODITIES	376,230
National School Lunch Program	10.555	7750002-23	724,093
National School Lunch Program	10.555	7750002-24	2,759,897
National School Lunch Program	10.555	9980000-23	253,680
School Breakfast Program	10.553	7760005-23	297,685
School Breakfast Program	10.553	7760005-24	1,037,380
Summer School Feeding Program	10.559	7690024-23	5,691
Summer School Feeding Program	10.559	7690024-24	638
Summer School Feeding Program	10.559	7740023-23	53,967
Summer School Feeding Program	10.559	7740023-24	6,228
Total Child Nutrition Cluster-Cluster			5,515,489
State Administrative Expenses Child Nutrition	10.560	7700001-23	29,185
Child and Adult Care Food Program			
Child and Adult Care Food Program	10.558	7790021-23	48,484
Child and Adult Care Food Program	10.558	7790021-24	167,548
Child and Adult Care Food Program	10.558	7800016-23	3,365
Child and Adult Care Food Program	10.558	7800016-24	11,556
Total Child and Adult Care Food Program			230,953
Total United States Department of Agriculture			5,775,627
United States Department of Education			
Special Education Cluster (IDEA)-Cluster			
Special Education - Grants to States (IDEA, Part B)	84.027	ARP IDEA BASIC-4910002-21	125
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-22	1,014
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-23	982,574
Special Education - Grants to States (IDEA, Part B)	84.027	3810002-24	1,736,991
Total Special Education - Grants to States (IDEA, Part B)			2,720,704
Special Education - Preschool Grants (IDEA Preschool)		ARP IDEA PRESCHOOL-	
Special Education - Preschool Grants (IDEA Preschool)	84.173	4900002-21	1,888
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-21	1,848
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-22	306
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-23	64,552
Special Education - Preschool Grants (IDEA Preschool)	84.173	3800002-24	64,421
Total Special Education - Preschool Grants (IDEA Preschool)			133,015
Total Special Education Cluster (IDEA)-Cluster			2,853,719

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, 2024

<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>
Adult Education--Basic Grants to States			
Adult Education--Basic Grants to States	84.002	COMMUNITY-BASED WORK TRANSITION '1--371J	1,244
Adult Education--Basic Grants to States	84.002	ADULT EDUCATION BASIC FEDERAL FY19--373K	121,496
Adult Education--Basic Grants to States	84.002	COMMUNITY-BASED WORK TRANSITION--371K	26,112
Adult Education--Basic Grants to States	84.002	KYAE RECRUITMENT--365K	59,084
Total Adult Education--Basic Grants to States			<u>207,936</u>
TITLE V INNOVATIVE EDUCATION			
TITLE V INNOVATIVE EDUCATION	84.298	TITLE V INNOVATIVE EDUCATION--3348	631
Total TITLE V INNOVATIVE EDUCATION			<u>631</u>
EDUCATIONAL TECHNOLOGY COMPETITIVE GRANT FOCUS			
EDUCATIONAL TECHNOLOGY COMPETITIVE GRANT FOCUS	84.318	TITLE II PART D ED. TECH-- 4253Z	6,762
Total EDUCATIONAL TECHNOLOGY COMPETITIVE GRANT FOCUS			<u>6,762</u>
READING EXCELLENCE GRANT			
READING EXCELLENCE GRANT	84.338	READING EXCELLENCE GRANT-- 3891Y	7,967
Total READING EXCELLENCE GRANT			<u>7,967</u>
CLASS SIZE REDUCTION			
CLASS SIZE REDUCTION	84.340	CLASS SIZE REDUCTION--3882Y	56,177
Total CLASS SIZE REDUCTION			<u>56,177</u>
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-20	1,601
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-22	29,817
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-23	106,293
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100002-24	1,945,595
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100102-23	364
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	3100102-24	12,428
Total Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)			<u>2,096,098</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, 2024

<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>
Migrant Education — State Grant Program (Title 1, Part C of ESEA)			
Migrant Education — State Grant Program (Title 1, Part C of ESEA)	84.011	3110002-23	55,106
Migrant Education — State Grant Program (Title 1, Part C of ESEA)	84.011	3110002-24	217,497
<i>Total Migrant Education — State Grant Program (Title 1, Part C of ESEA)</i>			<u>272,603</u>
Career and Technical Education--Basic Grants to States (Perkins V)			
Career and Technical Education--Basic Grants to States (Perkins V)	84.048	3710002-23	9,787
Career and Technical Education--Basic Grants to States (Perkins V)	84.048	3710002-24	121,485
<i>Total Career and Technical Education--Basic Grants to States (Perkins V)</i>			<u>131,272</u>
English Language Acquisition State Grants			
English Language Acquisition State Grants	84.365	3300002-23	8,608
English Language Acquisition State Grants	84.365	3300002-24	68,860
English Language Acquisition State Grants	84.365	LIMITED ENGLISH PROFICIENCY--3453Z	335
<i>Total English Language Acquisition State Grants</i>			<u>77,803</u>
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-22	21,231
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-23	45,448
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	3230002-24	252,353
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	DIFFERENTIATED COMPENSATION PILOT--5244	869
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	DIFFERENTIATED COMPENSATION--4024	2,991
<i>Total Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)</i>			<u>322,892</u>
Student Support and Academic Enrichment Program			
Student Support and Academic Enrichment Program	84.424	3420002-20	34,719
Student Support and Academic Enrichment Program	84.424	3420002-22	30,278
Student Support and Academic Enrichment Program	84.424	3420002-23	118,338
Student Support and Academic Enrichment Program	84.424	3420002-24	235,407
<i>Total Student Support and Academic Enrichment Program</i>			<u>418,742</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, 2024

<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>
Education Stabilization Fund (ESF)			
Education Stabilization Fund (ESF)	84.425U	4300002-21 COVID-19 ARP	1,515,652
Education Stabilization Fund (ESF)	84.425D	4200003-21 COVID-19 ARP COVID-19 FRYSC GEER II--	3,927
Education Stabilization Fund (ESF)	84.425C	564GF	19,734
Education Stabilization Fund (ESF)	84.425W	4980002-21 COVID-19 ARP	178,904
Education Stabilization Fund (ESF)	84.425U	4980002-21 COVID-19 ARP DEEPER LEARNING GRANT--	58,224
Education Stabilization Fund (ESF)	84.425U	563J	37,287
Education Stabilization Fund (ESF)	84.425U	4300005-21 COVID-19 ARP	15,659
<i>Total Education Stabilization Fund (ESF)</i>			<u>1,829,387</u>
<i>Total Department of Education</i>			<u><u>8,274,022</u></u>
Passed Through Kentucky Department of Education			
Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
	93.243	1H79SM088289	<u>224,918</u>
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			
			<u>224,918</u>
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	ABSTINENCE EDUCATION-- 5037	7,541
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	TITLE V ABSTINENCE EDUCATION--5032	<u>3,939</u>
<i>Total Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program</i>			<u>11,480</u>
Developmental Disabilities Basic Support and Advocacy Grants			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	INCLUSIVE SERVICES FOR STUDENTS--6604	<u>997</u>
<i>Total Developmental Disabilities Basic Support and Advocacy Grants</i>			<u>997</u>
Passed Through Kentucky Department of Health and Family Services			
Department of Health and Human Services			
CCDF Cluster-Cluster			
Child Care and Development Block Grant	93.575	CHILD CARE AID CRRSA--672G CHILDCARE - CARES ACT--	36,802
Child Care and Development Block Grant	93.575	658FC	-167
Child Care and Development Block Grant	93.575	ARPA CHILD CARE FACILITY REPAIRS--553I	36,200
Child Care and Development Block Grant	93.575	ARPA CHILDCARE STABILIZATION FUNDS--576I	1,252,560
Child Care and Development Block Grant	93.575	CARES - CHILD CARE DEV. LAST STIPEND--658FL	25,483
<i>Total Child Care and Development Block Grant</i>			<u>1,350,878</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, 2024

<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>
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	CDC SCHOOL HEALTH PROFILES - EJMS--493F	227
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	CDC SCHOOL HEALTH PROFILES - EJMS--493G	11
<i>Total Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</i>			<u>238</u>
<i>Total Department of Health and Human Services</i>			<u><u>1,588,511</u></u>
Passed Through Kentucky Office of Refugess			
Department of Health and Human Services			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	REFUGEE AND ENTRANT ASSISTANCE--420J	100,000
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	URSI 2ND ROUND--420JU	30,934
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	REFUGEE AND ENTRANT ASSIST ADULT E--420KB	73,787
<i>Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs</i>			<u>204,721</u>
<i>Total Department of Health and Human Services</i>			<u><u>1,793,232</u></u>
Passed Through Kentucky Department of Education			
Corporation for National and Community Service			
SERVICE LEARNING			
SERVICE LEARNING	94.004	SERVICE LEARNING--6750 SERVICE LEARNING GRANT--	6,374
SERVICE LEARNING	94.004	6755	3,000
<i>Total SERVICE LEARNING</i>			<u>9,374</u>
<i>Total Corporation for National and Community Service</i>			<u><u>9,374</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 15,852,255</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, 2024**

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, 2024. 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, 2024, the District received food commodities totaling \$376,230.

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

MEMBERS:

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OF CERTIFIED PUBLIC ACCOUNTANTS

KENTUCKY SOCIETY
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PRIVATE COMPANIES
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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, 2024, 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 8, 2024.

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 2024-001.

We noted certain matters that we reported to management for the District in a separate letter dated November 8, 2024.

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 8, 2024

SUMMERS, MCCRARY & SPARKS, P.S.C.
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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, 2024. 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, 2024.

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 8, 2024

**JESSAMINE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

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>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010	Title 1 Grants
84.367	Supporting Effective Instruction State Grant

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, 2024**

Section II – Financial Statement Findings

2024-001 Cash Disbursements

Condition: During the testing of cash disbursements there were two instances where the PO was not approved prior to the purchase.

Criteria: The school requires all PO's to be approved prior to the purchase/service.

Cause: The PO being completed after the purchase was made.

Effect: The potential for an unapproved PO being made

Recommendation: We recommend the PO should be properly completed prior to purchase/service

Views of Responsible Officials and Planned Corrective Actions: CFO, Internal Auditor, Director of Operations met with the Director of Maintenance to discuss the importance of making sure purchase orders were completed prior to all maintenance related work. Suggestions for improved controls were discussed. A follow-up meeting with the Maintenance Bookkeeper was scheduled also.

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, 2024**

Section II – Financial Statement Findings

2023-001 Payroll

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

Criteria: Observance of approved 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.

Status: No similar finding in the current 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 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, 2024, 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 8, 2024 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 8, 2024

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2024**

BOARD

None in the current year.

ACTIVITY FUNDS

West Jessamine High School

Comment: During our testing of booster organizations, we could not locate multiple booster organizations' budgets. We recommend the Principal review the "External Support/Booster Organizations" section of the "Redbook", which states each external support/booster organization must submit an annual External Support/Booster Organization Budget worksheet (Form F-SA-4B) to the Principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

Response: Met with the Athletic Director and Bookkeeper. The Athletic Director will take the lead in communicating with booster groups concerning the booster groups Redbook responsibility to get F-SA-4B completed within the first 30 days of the school year.

The Providence School

Comment: During our testing of accounts payable, we noted the Accounts Receivable and Accounts Payable (Form F-SA-15B) form was not completed at year end. We recommend the School Treasurer review the "Reporting" section of the "Redbook", which lists Form F-SA-15B as a part of the Annual Report that is to be submitted to the district finance officer.

Response: The Principal and bookkeeper reviewed the Redbook requirement concerning F-SA-15B. They will make sure this is completed in the future years.

West Jessamine Middle School

Comment: During our testing of accounts payable, we noted the Accounts Receivable and Accounts Payable (Form F-SA-15B) form was not completed at year end. We recommend the School Treasurer review the "Reporting" section of the "Redbook", which lists Form F-SA-15B as a part of the Annual Report that is to be submitted to the district finance officer.

Response: Bookkeeper has been made aware of the requirement to complete F-SA-15B. Will assure that this task will be included in Annual Checklist Duties.

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2024**

Comment: During the testing of transfers, we noted multiple Transfer Forms (Form F-SA-10), that did not have the Transfer-From Sponsor signature on the form. We recommend the School Treasurer review the “Transfers” section of the “Redbook”, which states the sponsor of the remitting (paying) activity account and the principal shall sign the Transfer Form.

Response: We will make sure the sponsor the transfer form. Clarification has been made. We are aware of the importance of the duplicate signature.

Comment: During our testing of fundraisers, we noted the Fundraiser Summary (Form F-SA-2B) was not being completed. We recommend the School Treasurer and Principal review the “Receipts” section of the “Redbook”, which states fundraisers where items are sold, whether they are purchased or donated or both, require the use of the Fundraiser Summary (Form F-SA-2B), which is used to recap the profitability of a fundraiser sales cycle.

Response: WJMS will seek guidance from Central Office to make sure we complete all the required forms concerning fundraisers for the 24/25 school year.

Jessamine Career and Technology Center

Comment: During our testing of cash receipts, we noted sales receipts were turned in on the Multiple Receipt Form, and not on the Sales from Concessions/Bookstore/Pencil Machin Form (Form F-SA-17). We recommend the School Treasurer review Appendix B of the “Redbook”, which lists various activities and the corresponding forms that need to be completed for each of those types of activities.

Response: We have reviewed the procedures and in the coming year, we will follow Redbook procedures as it relates to these items.

Nicholasville Elementary School

Comment: During our testing of accounts payable, we noted the Accounts Receivable and Accounts Payable (Form F-SA-15B) form was not completed at year end. We recommend the School Treasurer review the “Reporting” section of the “Redbook”, which lists Form F-SA-15B as a part of the Annual Report that is to be submitted to the district finance officer.

Response: The Principal and Bookkeeper reviewed the Redbook requirement concerning F-SA-15B. They have a plan moving forward to address this issue.

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2024**

Red Oak Elementary School

Comment: During our testing of cash receipts, we noted sales receipts were turned in on the Multiple Receipt Form, and not on the Sales from Concessions/Bookstore/Pencil Machin Form (Form F-SA-17). We recommend the School Treasurer review Appendix B of the “Redbook”, which lists various activities and the corresponding forms that need to be completed for each of those types of activities.

Response: The Principal and bookkeeper have reviewed page 60 of Redbook. We will make sure during the 24/25 school year all forms are completed.

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2024**

STATUS OF PRIOR YEAR COMMENTS

BOARD

Previously, 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.

Previously, 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.

ACTIVITY FUNDS

The Providence School

Previously, 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. There were no similar findings in the current year.

Previously, 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. There was a similar finding in the current year.

Previously, 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. There were no similar findings in the current year.

East Jessamine Middle School

Previously, 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).

**JESSAMINE COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2024**

West Jessamine Middle School

Previously, 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. There were no similar findings in the current year.

Previously, 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. There was a similar finding in the current year.

Jessamine Career and Technology Center

Previously, 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. There were no similar findings in the current year.

Nicholasville Elementary School

Previously, 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. There were no similar findings in the current year.

Previously, 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. There were no similar findings in the current year.

Previously, 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. There were no similar findings in the current year.

Red Oak Elementary School

Previously, 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. There were no similar findings in the current year.