CAMPBELL COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Campbell County School District
Alexandria, Kentucky 41001

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 Campbell County School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of District's Proportionate Share of the Net OPEB Liability (Asset), and the Schedule of OPEB Contributions 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 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 September 30, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
September 30, 2024

CAMPBELL COUNTY SCHOOL DISTRICT
ALEXANDRIA, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)
FOR THE YEAR ENDED JUNE 30, 2024

As management of the Campbell County School District ("the 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 financial statements.

FINANCIAL HIGHLIGHTS

- The beginning cash balance for all funds of the District was $31,501,762 and the ending balance was $48,180,383, an increase of $16,678,621 for the year, principally due to bond proceeds and construction during the year.

- The General Fund had $61.5 million in revenue, which consisted primarily of the State program (SEEK), and property, utilities, and motor vehicle taxes. Excluding interfund transfers, there were $59.5 million in General Fund expenditures.

- Bonds are issued as the District renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The District's total debt increased by approximately $24 million during the current fiscal year, due to a bond issuance of $28 million.

- Net pension liabilities required to be recorded under GASB No. 68 decreased during the year due to changes in the assumptions used by the actuary to calculate the liability. Classified staff members are covered by the Kentucky County Employee Retirement System. Under this system, the District's share of the pension liability was $20,760,613 as of June 30, 2023, which represents a decrease of $2,057,889 from the June 30, 2022 balance of $22,818,502. The Kentucky Teachers Retirement System covers the District's professional staff members. The District's allocated pension liability as of June 30, 2023 was $124,877,490, which represents a decrease of $4,125,241 from the June 30, 2022 balance of $129,002,731. However, this pension liability is the responsibility of the Commonwealth of Kentucky.

- Net OPEB liabilities required to be recorded under GASB 75 decreased during the year. There are two sources of OPEB liabilities with which the District has to contend. The Kentucky Teachers Retirement System (KTRS) Medical Insurance Plan and Life Insurance Plan covers the District's professional staff members. The District's allocated OPEB liability as of June 30, 2023 for KTRS Medical Insurance Plan was $17,240,000 with the District's responsibility being $9,355,000 and the Commonwealth of Kentucky's responsibility being $7,885,000. This is an overall decrease of $829,000 from the District's allocated OPEB liability of $18,069,000 at June 30, 2022 for KTRS Medical Insurance Plan. The liability for the KTRS Life Insurance Plan is the responsibility of the Commonwealth of Kentucky and the District's allocated amount as of June 30, 2023 was $195,000, which represents a decrease of $27,000 from the June 30, 2022 balance of $222,000. Classified staff members are covered by the County Employee Retirement System Insurance Fund. Under this fund, the District's share of the OPEB liability (asset) was $(446,698) as of June 30, 2023, which represents a decrease of $6,678,225 from the June 30, 2022 balance of $6,231,527.

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, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (government 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 are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 10 and 11 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 funds, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The primary proprietary fund is our food service operations. All other activities of the District are included in the governmental funds. The basic fund financial statements can be found on pages 12 through 20 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 21 through 52 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 and deferred outflows exceeded liabilities and deferred inflows by approximately $43 million as of June 30, 2024.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is 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, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the period ending June 30, 2024 and 2023

	2024	2023
Current Assets	$ 56,082,874	$ 39,079,622
Noncurrent Assets	91,006,365	74,507,697
Total Assets	147,089,239	113,587,319
Deferred Outflows	12,613,236	18,487,786
Current Liabilities	11,249,608	3,767,224
Noncurrent Liabilities	88,698,773	81,605,173
Total Liabilities	99,948,381	85,372,397
Deferred Inflows	16,696,897	11,901,144
Net Position		
Net investment in capital assets	59,410,463	27,526,162
Restricted	1,932,623	20,641,876
Unrestricted Fund Balance	(18,285,889)	(13,366,474)
Total Net Position	$ 43,057,197	$ 34,801,564

The following table presents a summary of all governmental activities and business-type activities revenues and expenses for the fiscal year ended June 30, 2024, with comparison to 2023.

	2024	2023
Revenues:		
Local Revenue Sources	$ 42,405,911	$ 38,339,464
State Revenue Sources	39,474,591	43,976,558
Federal Revenue	10,696,239	13,485,530
Interest	2,025,552	1,035,354
Total Revenues	94,602,293	96,836,906
Expenses:		
Instruction	49,425,360	39,420,107
Student Support Services	4,614,288	4,468,217
Instructional Staff Support	2,617,174	3,037,398
District Administration	2,006,882	1,583,537
School Administration	2,802,709	3,521,285
Business and Other Support Services	1,752,874	1,849,522
Operation and Maintenance of Plant	9,683,966	8,215,423
Student Transportation	5,677,175	5,872,042
Other instructional	5,156	34,598
Other non-instructional	1,836,953	-
Community Services	584,025	698,689
Debt Service	1,266,002	916,593
Food Services	4,074,096	5,481,322
Total Expenses	86,346,660	75,098,733
Revenues in Excess of Expenses	$ 8,255,633	$ 21,738,173

Governmental Funds Revenue

The majority of revenue was derived from local revenue making up 53.70% (41.3% in 2023) and federal funding of 9.03% (11.4% in 2023) of total revenue. State funding makes up 37.27% of total revenue (47.3% in 2023).

District-Wide Support Allocation

District-wide support services expenditures were Transportation 6.57%, Operation and Maintenance of Plant 11.22%, and Business Functions 2.03% (as compared to 7.81%, 10.94%, and 7.30% in 2023, respectively).

The total cost of all programs and services for governmental activities was $82.2 million, compared with $69.6 million in 2023.

The District's total revenues for the governmental activities for the fiscal year ended June 30, 2024 and 2023, net of inter-fund transfers and bond proceeds, was approximately $90.4 million and $92.4 million, respectively.

Comments on Budget Comparisons

After adjustments for contingency, the general fund budget compared to actual expenditures varied significantly from line item to line item with the ending actual balance being $5.4 million greater than budget. This is primarily due to not utilizing the contingency and interest and tax receipts being more than budgeted.

General fund revenue compared to budget varied from line item to line item more this year than in the past due in part to local property tax collection rates being greater than expected and greater than expected KTRS on-behalf payments.

Capital Assets

At the end of June 30, 2024, the District's investment in capital assets for its governmental and business-type activities was $90.5 million, representing an increase of $16.0 million, net of depreciation, from the prior year.

Debt Service

At year-end, the District had approximately $61.7 million in outstanding debt, excluding premiums and discounts, compared to $37.9 million last year.

Budgetary Implications

In Kentucky the public school fiscal year is July 1 - 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. The District adopted a budget with a contingency above the 2% requirement for FY 2025. The general fund cash and investment balances for beginning the next fiscal year is approximately $14.2 million. There was no significant Board action that impacts the finances for the new year.

Questions regarding this report should be directed to the Superintendent Dr. Shelli Wilson or to her representative, Director of Finance Joey Cucchiara or by mail at:

Campbell County School District
101 Orchard Lane
Alexandria, Kentucky 41001

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 46,584,455	$ 1,595,928	$ 48,180,383
Investments	4,999,326	-	4,999,326
Receivables (net of allowances for uncollectibles):			
Taxes	598,156	-	598,156
Other	111,944	-	111,944
Intergovernmental - federal	1,775,277	333,261	2,108,538
Inventories	-	84,527	84,527
Capital assets, net of accumulated depreciation	87,304,879	3,254,788	90,559,667
Net OPEB asset	419,502	27,196	446,698
Total assets	141,793,539	5,295,700	147,089,239
Deferred outflows - advance bond refundings	187,003	-	187,003
Deferred outflows - other post-employment benefits	8,110,387	145,320	8,255,707
Deferred outflows - pension	3,745,317	425,209	4,170,526
Total deferred outflows of resources	12,042,707	570,529	12,613,236
Liabilities			
Accounts payable	3,152,263	26,956	3,179,219
Accrued salaries and benefits	972,617	-	972,617
Unearned revenue	2,106,819	-	2,106,819
Accrued interest	795,953	-	795,953
Portion due or payable within one year:			
Bond obligations	4,195,000	-	4,195,000
Noncurrent liabilities:			
Portion due or payable after one year:			
Bond obligations	58,068,873	-	58,068,873
Accrued sick leave	514,287	-	514,287
Net OPEB liability	9,355,000	-	9,355,000
Net pension liability	18,576,765	2,183,848	20,760,613
Total liabilities	97,737,577	2,210,804	99,948,381
Deferred inflows of resources			
Deferred inflows - other post-employment benefits	13,729,815	724,759	14,454,574
Deferred inflows - pension	2,013,705	228,618	2,242,323
Total deferred inflows of resources	15,743,520	953,377	16,696,897
Net Position			
Net investment in capital assets	56,155,675	3,254,788	59,410,463
Restricted for:			
Capital projects	2,485,363	-	2,485,363
Other	-	(552,740)	(552,740)
Unrestricted	(18,285,889)	-	(18,285,889)
Total net position	$ 40,355,149	$ 2,702,048	$ 43,057,197

The accompanying notes to the financial statements
are an integral part of this statement.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
Instruction	$ 49,425,360	$ -	$ 6,534,214	$ -	$ (42,891,146)	$ -	$ (42,891,146)
Support services:							
Students	4,614,288	-	1,367,910	-	(3,246,378)	-	(3,246,378)
Instructional staff	2,617,174	-	849,262	-	(1,767,912)	-	(1,767,912)
District administration	2,006,882	-	-	-	(2,006,882)	-	(2,006,882)
School administration	2,802,709	-	50,415	-	(2,752,294)	-	(2,752,294)
Business and other support services	1,752,874	-	-	-	(1,752,874)	-	(1,752,874)
Operation and maintenance of plant	9,683,966	-	154,633	-	(9,529,333)	-	(9,529,333)
Student transportation	5,677,175	-	39,012	-	(5,638,163)	-	(5,638,163)
Other instructional	5,156	-	4,409	-	(747)	-	(747)
Other non-instructional	1,836,953	-	-	-	(1,836,953)	-	(1,836,953)
Community services	584,025	-	421,659	-	(162,366)	-	(162,366)
Debt service - interest	1,266,002	-	-	1,652,716	386,714	-	386,714
Total governmental activities	82,272,564	-	9,421,514	1,652,716	(71,198,334)	-	(71,198,334)
Business-type activities:							
Food service	4,074,096	609,070	3,546,512	-	-	81,486	81,486
Total business-type activities	4,074,096	609,070	3,546,512	-	-	81,486	81,486
Total primary government	$ 86,346,660	$ 609,070	$ 12,968,026	$ 1,652,716	$ (71,198,334)	$ 81,486	$ (71,116,848)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 28,964,507	$ -	$ 28,964,507
Motor vehicle					3,421,821	-	3,421,821
Utlities					3,664,203	-	3,664,203
Franchise					1,939,534	-	1,939,534
Intergovernmental revenues:							
State and federal					35,550,088	-	35,550,088
Investment earnings					1,997,887	27,665	2,025,552
Gain (loss) on sale of assets					(46,890)	(1,982)	(48,872)
Other local revenues					3,854,980	668	3,855,648
Total general revenues					79,346,130	26,351	79,372,481
Transfers					239,993	(239,993)	-
Total general revenues and transfers					79,586,123	(213,642)	79,372,481
Change in net position					8,387,789	(132,156)	8,255,633
Net position, June 30, 2023					31,967,360	2,834,204	34,801,564
Net position, June 30, 2024					$ 40,355,149	$ 2,702,048	$ 43,057,197

The accompanying notes to the financial statements are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 9,688,313	$ 383,481	$ 34,027,298	$ 2,485,363	$ 46,584,455
Investments	4,999,326	-	-	-	4,999,326
Receivables (net of allowances for uncollectibles):					
Property taxes	598,156	-	-	-	598,156
Other	111,944	-	-	-	111,944
Intergovernmental	-	1,775,277	-	-	1,775,277
Total assets	$ 15,397,739	$ 2,158,758	$ 34,027,298	$ 2,485,363	$ 54,069,158
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 187,695	$ 51,939	$ 2,912,629	$ -	$ 3,152,263
Accrued salaries and benefits	972,617	-	-	-	972,617
Unearned revenue	-	2,106,819	-	-	2,106,819
Total liabilities	1,160,312	2,158,758	2,912,629	-	6,231,699
Fund balances:					
Committed	568,257	-	-	-	568,257
Restricted	-	-	31,114,669	2,485,363	33,600,032
Assigned - purchase obligations	1,679,755	-	-	-	1,679,755
Unassigned	11,989,415	-	-	-	11,989,415
Total fund balances	14,237,427	-	31,114,669	2,485,363	47,837,459
Total liabilities and fund balances	$ 15,397,739	$ 2,158,758	$ 34,027,298	$ 2,485,363	$ 54,069,158

The accompanying notes to the financial statements
are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund balances—total governmental funds		$	47,837,459
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			87,304,879
Savings from refunding bonds are not available to pay current period expenditures and therefore are not reported in the funds.			187,003
Deferred outflows and inflows of resources related to pensions and OPEB plans are applicable to future periods and, therefore, are not reported in the governmental funds.			(3,887,816)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds financial statements.			
Net OPEB liability and asset	(8,935,498)		
Net pension liability	(18,576,765)		
Bonds payable	(62,263,873)		
Accrued sick leave	(514,287)		
Accrued interest	(795,953)		(91,086,376)
Net position of governmental activities		$	40,355,149

The accompanying notes to the financial statements are an integral part of this statement.

CAMPBELL 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 Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes -					
Property	$ 23,296,532	$ -	$ -	$ 5,667,975	$ 28,964,507
Motor vehicles	3,421,821	-	-	-	3,421,821
Utilities	3,664,203	-	-	-	3,664,203
Franchise	1,939,534	-	-	-	1,939,534
Tuition and fees	376,324	-	-	-	376,324
Interest income	1,340,963	-	656,924	-	1,997,887
Other local revenues	552,723	644,764	-	2,281,169	3,478,656
Intergovernmental - State	26,577,987	2,377,587	-	1,652,716	30,608,290
Intergovernmental - Indirect federal	40,439	6,069,050	-	-	6,109,489
Intergovernmental - Direct federal	305,185	974,877	-	-	1,280,062
Total revenues	61,515,711	10,066,278	656,924	9,601,860	81,840,773
Expenditures:					
Current:					
Instruction	33,398,423	8,514,070	-	343,794	42,256,287
Support services:					
Students	3,288,071	1,367,910	-	-	4,655,981
Instructional staff	1,352,702	849,262	-	-	2,201,964
District administration	1,834,990	-	-	-	1,834,990
School administration	2,838,110	50,415	-	-	2,888,525
Business and other support services	1,753,675	-	-	-	1,753,675
Operation and maintenance of plant	7,981,269	154,633	-	9,820	8,145,722
Student transportation	6,876,838	39,012	-	-	6,915,850
Other instructional	747	4,409	-	-	5,156
Other non-instructional	-	-	-	1,836,953	1,836,953
Food service	-	-	-	-	-
Community services	146,286	421,659	-	-	567,945
Facilities acquisition and construction	-	-	17,865,701	-	17,865,701
Debt service	46,350	-	-	5,140,282	5,186,632
Total expenditures	59,517,461	11,401,370	17,865,701	7,330,849	96,115,381
Excess (deficiency) of revenues over (under) expenditures	1,998,250	(1,335,092)	(17,208,777)	2,271,011	(14,274,608)
Other financing sources (uses):					
Proceeds from issuance of debt	-	-	28,110,000	-	28,110,000
Proceeds from issuance of debt - discount	-	-	(188,968)	-	(188,968)
Proceeds from issuance of debt - premium	-	-	783,164	-	783,164
Sale of assets	3,926	-	-	-	3,926
Transfers in	731,234	1,359,281	1,097,908	3,961,963	7,150,386
Transfers out	(1,359,283)	(24,189)	-	(5,526,921)	(6,910,393)
Total other financing sources and uses	(624,123)	1,335,092	29,802,104	(1,564,958)	28,948,115
Net change in fund balances	1,374,127	-	12,593,327	706,053	14,673,507
Fund balance, June 30, 2023	12,863,300	-	18,521,342	1,779,310	33,163,952
Fund balance, June 30, 2024	$ 14,237,427	$ -	$ 31,114,669	$ 2,485,363	$ 47,837,459

The accompanying notes to the financial statements
are an integral part of this statement.

CAMPBELL 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		$ 14,673,507
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	18,723,860	
Gain (loss) on disposal of assets	(50,816)	
Depreciation expense	(2,814,625)	15,858,419
Bond and note proceeds, including related premiums and discounts, are recognized as revenues in the fund financial statements, but are increases in liabilities in the statement of net position.		
Bonds issued and note proceeds	(28,110,000)	
Premiums and discounts on bonds issued	(594,196)	(28,704,196)
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:		
Long-term portion of accrued sick leave		405,886
Amortization of bond premium (discount)		24,758
Amortization of deferred amount from refunding bonds		(93,502)
Change in accrued interest		(333,826)
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, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, and investment experience.		
KTRS nonemployer support revenue	8,626,477	
KTRS pension and OPEB expense	(7,914,899)	
CERS pension and OPEB expense	1,521,965	2,233,543
Bond and note payments are recognized as expenditures of current financial resources in the fund financial statements, but are reductions of liabilities in the statement of net position.		4,323,200
Change in net position of governmental activities		$ 8,387,789

The accompanying notes to the financial statements are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 1,595,928
Receivables (net of allowances for uncollectibles)	
Intergovernmental	333,261
Inventories	84,527
Total current assets	2,013,716
Noncurrent assets:	
Capital assets, net of accumulated depreciation	3,254,788
Net OPEB asset	27,196
Total noncurrent assets	3,281,984
Total assets	5,295,700
Deferred Outflows of Resources	
Deferred outflows - other post-employment benefits	145,320
Deferred outflows - pension	425,209
Total deferred outflows of resources	570,529
Total assets and deferred outflows	$ 5,866,229
Liabilities	
Current liabilities:	
Accounts payable	$ 26,956
Total current liabilities	26,956
Noncurrent liabilities:	
Net pension liability	2,183,848
Total noncurrent liabilities	2,183,848
Total liabilities	2,210,804
Deferred Inflows of Resources	
Deferred inflows - other post-employment benefits	724,759
Deferred inflows - pension	228,618
Total deferred inflows of resources	953,377
Net Position	
Net investment in capital assets	3,254,788
Restricted	(552,740)
Total net position	2,702,048
Total liabilities, deferred inflows and net position	$ 5,866,229

The accompanying notes to the financial statements are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Food Service Fund
Operating revenues:	
Lunchroom sales	$ 609,070
Other operating revenues	668
Total operating revenues	609,738
Operating expenses:	
Salaries and wages	1,268,071
Employee benefits	387,103
Contract services	131,126
Materials and supplies	2,073,579
Depreciation	182,693
Other operating expenses	31,524
Total operating expenses	4,074,096
Operating income (loss)	(3,464,358)
Nonoperating revenues (expenses):	
Federal grants	3,005,271
Investment income	27,665
On-behalf payments	212,631
Donated commodities	301,417
State grants	27,193
Gain (loss) on sale of assets	(1,982)
Total nonoperating revenue	3,572,195
Income (loss) before transfers	107,837
Transfers out	(239,993)
Change in net position	(132,156)
Net position, June 30, 2023	2,834,204
Net position, June 30, 2024	$ 2,702,048

The accompanying notes to the financial statements
are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Food Service Fund
Cash flows from operating activities:	
Cash received from:	
Lunchroom sales	$ 609,070
Cash paid to/for:	
Payments to suppliers and providers of goods and services	(2,105,052)
Payments to employees	(1,439,840)
Net cash provided by (used for) operating activities	(2,935,822)
Cash flows from noncapital financing activities:	
Transfers	(239,993)
Government grants	2,716,188
Net cash provided by (used for) noncapital and related financing activities	2,476,195
Cash flows from capital and related financing activities:	
Purchases of capital assets	(378,226)
Net cash provided by (used for) capital and related financing activities	(378,226)
Cash flows from investing activities:	
Interest received on investments	27,665
Net cash provided by (used for) investing activities	27,665
Net increase (decrease) in cash and cash equivalents	(810,188)
Cash and cash equivalents, June 30, 2023	2,406,116
Cash and cash equivalents, June 30, 2024	$ 1,595,928
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (3,464,358)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:	
Depreciation	182,693
On-behalf payments	212,631
Donated commodities	301,417
Net pension and OPEB expense	(171,769)
Change in assets and liabilities:	
Inventory	(20,090)
Accounts payable	23,654
Net cash provided by (used for) operating activities	$ (2,935,822)
Non-cash items:	
Donated commodities	$ 301,417
On-behalf payments	212,631

The accompanying notes to the financial statements are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes -				
Property	$ 22,979,661	$ 22,979,661	$ 23,296,532	$ 316,871
Motor vehicles	2,600,000	2,600,000	3,421,821	821,821
Utilities	3,200,000	3,200,000	3,664,203	464,203
Franchise	950,000	950,000	1,939,534	989,534
Tuition and fees	335,000	335,000	376,324	41,324
Interest income	150,000	150,000	1,340,963	1,190,963
Other local revenues	242,000	242,000	552,723	310,723
Intergovernmental - State	11,848,000	11,848,000	12,096,504	248,504
Intergovernmental - Indirect federal	20,000	20,000	40,439	20,439
Intergovernmental - Direct federal	210,000	210,000	305,185	95,185
Total revenues	42,534,661	42,534,661	47,034,228	4,499,567
Expenditures:				
Current:				
Instruction	24,853,098	24,853,098	22,189,661	2,663,437
Support services:				
Students	2,291,672	2,291,672	2,796,859	(505,187)
Instructional staff	1,307,301	1,307,301	1,300,688	6,613
District administration	1,489,859	1,489,859	1,601,480	(111,621)
School administration	2,490,399	2,490,399	2,571,195	(80,796)
Business and other support services	1,923,325	1,923,325	1,585,740	337,585
Operation and maintenance of plant	6,503,580	6,503,580	6,956,946	(453,366)
Student transportation	5,357,829	5,357,829	5,840,026	(482,197)
Other instructional	12	12	747	(735)
Food service	200	200	-	200
Community services	141,136	141,136	146,286	(5,150)
Facilities acquisition and construction	43,387	43,387	-	43,387
Debt service	47,633	47,633	46,350	1,283
Contingency	6,483,000	6,483,000	-	6,483,000
Total expenditures	52,932,431	52,932,431	45,035,978	7,896,453
Excess (deficiency) of revenues over (under) expenditures	(10,397,770)	(10,397,770)	1,998,250	12,396,020
Other financing sources (uses):				
Sale of assets	7,500	7,500	3,926	(3,574)
Transfers in	767,050	767,050	731,234	(35,816)
Transfers out	(1,357,161)	(1,357,161)	(1,359,283)	(2,122)
Total other financing sources and uses	(582,611)	(582,611)	(624,123)	(41,512)
Net change in fund balances	(10,980,381)	(10,980,381)	1,374,127	12,354,508
Fund balance, June 30, 2023	10,759,881	10,759,881	12,863,300	2,103,419
Fund balance, June 30, 2024	$ (220,500)	$ (220,500)	$ 14,237,427	$ 14,457,927
Intergovernmental state revenue			$ 14,481,483	
On-behalf payments:				
Instruction			(11,208,762)	
Support Services				
Students			(491,212)	
Instruction staff			(52,014)	
District administration			(233,510)	
School administration			(266,915)	
Business and other support services			(167,935)	
Operation and maintenance of plant			(1,024,323)	
Student transportation			(1,036,812)	
Fund balance, June 30, 2024 (GAAP basis)			$ 14,237,427	

The accompanying notes to the financial statements
are an integral part of this statement.

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Other local revenues	$ 9,080	$ 9,080	$ 644,764	$ 635,684
Intergovernmental - State	2,766,063	2,766,063	2,377,587	(388,476)
Intergovernmental - Indirect federal	3,199,457	3,199,457	6,069,050	2,869,593
Intergovernmental - Direct federal	467,670	467,670	974,877	507,207
Total revenues	6,442,270	6,442,270	10,066,278	3,624,008
Expenditures:				
Current:				
Instruction	5,549,823	5,518,865	8,514,070	(2,995,205)
Support services:				
Students	662,657	662,657	1,367,910	(705,253)
Instructional staff	500,503	500,503	849,262	(348,759)
School administration	-	-	50,415	(50,415)
Business and other support services	-	-	-	-
Operation and maintenance of plant	776,794	776,794	154,633	622,161
Student transportation	36,156	27,500	39,012	(11,512)
Other instructional	-	-	4,409	(4,409)
Community services	419,465	419,465	421,659	(2,194)
Total expenditures	7,945,398	7,905,784	11,401,370	(3,495,586)
Excess (deficiency) of revenues over (under) expenditures	(1,503,128)	(1,463,514)	(1,335,092)	128,422
Other financing sources (uses):				
Transfers in	1,357,161	1,357,161	1,359,281	2,120
Transfers out	-	-	(24,189)	(24,189)
Total other financing sources and uses	1,357,161	1,357,161	1,335,092	(22,069)
Net change in fund balances	(145,967)	(106,353)	-	106,353
Fund balance, June 30, 2023	-	-	-	-
Fund balance, June 30, 2024	$ (145,967)	$ (106,353)	$ -	$ 106,353

The accompanying notes to the financial statements
are an integral part of this statement.

(1) REPORTING ENTITY

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

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. Copies of this organization's financial statements may be obtained from the District's Finance Office at 101 Orchard Lane, Alexandria, Kentucky 41001.

Campbell County School District Finance Corporation - In a prior year, the Board of Education resolved to authorize the establishment of the Campbell County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS

Basis of Presentation

The accounting policies of the Campbell County School District substantially comply with the rules prescribed by the Kentucky Department of Education for local school districts.

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements provide information about the primary government (the "District"). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions, except where allowable for certain grant programs. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. Fiduciary funds are aggregated and reported by fund type.

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

The District has the following funds:

I. Governmental Fund Types

A. The General Fund is the main 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 Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes.

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 School Activity Fund is a special revenue fund used to account for funds collected at individual schools for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance

with the *Uniform Program of Accounting for School Activity Funds* ("Redbook").

3. The District Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

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

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the State as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.

2. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.

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

D. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs; and for the payment of interest on general obligation notes payable, as required by Kentucky Law.

II. Proprietary Fund Types (Enterprise Fund)

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

III. Fiduciary Fund Type (Private Purpose Trust Funds)

A. The District does not currently have any Private Purpose Trust Funds.

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

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.

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

The property tax rates assessed for the year ended June 30, 2024 to finance the General Fund operations were $.605 per $100 valuation for real property, $.618 per $100 valuation for business personal property, and $.522 per $100 valuation for motor vehicles. In addition, the District assessed a nickel levy in the amount of $.057 per $100 valuation for construction purposes only. The assessed value of property upon which the levy for the 2024 fiscal year was based, was $4,487,988,833.

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

In-Kind

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal and state administered funding on various grants. The District also receives commodities from USDA. The amounts of such services and commodities are recorded in the accompanying financial statements at their estimated fair market values.

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Funds, which records inventory using the accrual basis of accounting. Inventories are stated at the lower of cost or market, on the first-in, first-out basis.

Capital Assets

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

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

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

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

Interfund Balances

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

Budgetary Process

The District is required by state law to adopt annual budgets. Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy, only amendments that aggregate greater than $50,000 require Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by 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.

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

Fund Balance Reserves

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint;
- Assigned fund balance-amounts the District intends to use for a specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; unassigned amounts are reported only in the General Fund.

When restricted, committed, assigned and unassigned resources are available for use, it is the District's policy to use restricted, committed and assigned resources first, then unassigned resources as they are needed.

Bond Issuance Costs

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

Other Assets

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

Net Position

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

Operating 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 the various schools. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Interfund Activity

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

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. 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 account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate 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 then. 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 then.

Pension

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 pension plan's fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB plan's fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Recent Accounting Pronouncements

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* ("GASB 99"), to provide guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements. GASB 99 addresses, among other matters:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Clarification of certain provisions of Statement No.:
- 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments,
- 87, Leases,
- 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements,
- 96, Subscription-Based Information Technology Arrangements (SBITA);
- Replacing the original deadline for use of the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt with a deadline for when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021;
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP);
- Disclosures related to non-monetary transactions; and
- Pledges of future revenues when resources are not received by the pledging government.

Requirements that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement No. 34, and terminology updates are effective upon issuance. Requirements related to leases, public-public and public-private partnerships (PPPs), and SBITAs are effective for fiscal years beginning after June 15, 2022, and for all reporting periods thereafter. Requirements related to other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions of this statement did not have a material effect on the District's financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)* ("GASB 100"), which has as its primary objective to provide more straightforward guidance that is easier to understand and is more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability. Improving the clarity of accounting and financial reporting requirements for accounting changes and error corrections will mean greater consistency in the application of these requirements in general.

GASB 100 prescribes accounting and financial reporting for each category of accounting change and error corrections, requiring that:

- Changes in accounting principle and error corrections be reported retroactively by restating prior periods;
- Changes in accounting estimate be reported prospectively by recognizing the change in the current period; and

- Changes to and within the financial reporting entity be reported by adjusting beginning balances of the current period.
- Governments disclose the effects of each accounting change and error correction on beginning balances in a tabular format.

The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions of this statement did not have a material effect on the District's financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"), which supersedes the guidance in Statement No. 16, *Accounting for Compensated Absences*, issued in 1992. GASB 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. For example, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled. Some exceptions to this general rule include parental leave, military leave and jury duty leave for which a liability would not be recognized until the leave commences.

Additionally, GASB 101 (1) provides an alternative to the existing requirement to disclose the gross annual increases and decreases in long-term liability for compensated absences, allowing governments to disclose only the net annual change in the liability as long as it is identified as such; and (2) removes the disclosure of the government funds used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures* ("GASB 102"), which aims to enhance the transparency of financial reporting by requiring disclosures about risks that state and local governments face due to certain concentrations or constraints. A concentration is defined as a lack of diversity in significant inflows or outflows of resources, while a constraint is a limitation imposed by an external party or by the government's highest level of decision-making authority. Governments must disclose information about these risks if they are vulnerable to a substantial impact from them. The disclosures should include the nature of the concentration or constraint, any associated events that could cause a substantial impact, and actions taken to mitigate the risk. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. Management is currently evaluating the impact of this Statement on its financial statements.

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* ("GASB 103") with the objective to enhance the effectiveness of the financial reporting model for decision-making and assessing government accountability. The improvements target the following established accounting and financial reporting requirements:

- Management's discussion and analysis;
- Unusual or infrequent items (previously known as extraordinary and special items);
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
- Major component unit information; and
- Budgetary comparison information.

The effective date for GASB 103 is for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of this Statement on its financial statements.

(3) ESTIMATES

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

(4) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The funds of the District must be deposited and invested under the terms of a contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At year-end, the bank balance of the District's cash and cash equivalents totaled $57,574,898. Of the total cash balance, $250,000 was covered by Federal Depository insurance, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. Cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less.

The cash deposits held at financial institutions can be categorized according to three levels of risk, as follows:

Category 1	Deposits, which are insured or collateralized with securities, held by the District or by its agent in the District's name.
Category 2	Deposits, which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
Category 3	Deposits, which are not collateralized or insured.

Based on these three levels of risk, the District's uninsured cash deposits are classified as Category 2.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Education Building Fund, Special Revenue (Grant) Funds, Bond and Interest Redemption Fund, School Food Service Funds, and School Activity Funds.

Investments

During the year, the District invested excess cash into short-term United States Government obligations. In compliance with Kentucky Statutes, the District's investment policy 04.6 specifies that the District's investment objectives, in order of priority, are the following:

1. Legality
2. Safety of principal
3. Liquidity to enable the District to meet all operating requirements
4. Return on Investment

Credit Risk–Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the District has limited the number of permissible investments under its investment policy to certain highly rated investments. In accordance with this policy, the District is authorized to invest in the following:

a. Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
b. Certificates of deposit issued by banks or savings and loan institutions
c. Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities
d. Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America
e. Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

The complete investment policy 04.6 is available at http://policy.ksba.org/Chapter.aspx?distid=159. Investments consist of U.S. Government obligations and money market funds and are stated at fair value. As of June 30, 2024, the District had the following investments:

Investment	Fair Value	Maturity	Interest	Moody's Rating
U.S Treasury Notes	$ 4,999,326	April 15, 2025	2.625%	AAA

Fair Value Measurements - The District's investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1: Investments reflect prices quoted in active markets.

Level 2: Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3: Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Investments in U.S. Treasury notes and money market funds are valued based on quoted market prices (Level 1 inputs). The District does not have any investments that are measured using Level 2 or Level 3 inputs.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2024:

Investment	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ 4,999,326	$ -	$ -	$ 4,999,326

(5) CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets, Not Depreciated:				
Land	$ 6,162,376	$ -	$ (28,000)	$ 6,134,376
Construction in progress	9,110,257	17,776,045	-	26,886,302
Capital Assets, Depreciated:				
Land improvements	7,456,786	-	-	7,456,786
Buildings and improvements	92,869,315	137,609	(39,566)	92,967,358
Technology equipment	2,051,028	-	-	2,051,028
General equipment	4,464,998	243,953	(49,296)	4,659,655
Vehicles	7,395,169	566,253	(276,958)	7,684,464
Totals	129,509,929	18,723,860	(393,820)	147,839,969
Less: accumulated depreciation				
Land improvements	4,489,051	272,146	-	4,761,197
Buildings and improvements	43,678,364	1,733,687	(16,750)	45,395,301
Technology equipment	1,761,621	88,870	-	1,850,491
General equipment	3,036,301	263,664	(49,296)	3,250,669
Vehicles	5,098,132	456,258	(276,958)	5,277,432
Total accumulated depreciation	58,063,469	2,814,625	(343,004)	60,535,090
Governmental Activities Capital Assets - Net	$ 71,446,460	$ 15,909,235	$ (50,816)	$ 87,304,879
Business-Type Activities				
General equipment	$ 1,442,362	$ -	$ -	$ 1,442,362
Vehicles	-	38,989	-	38,989
Buildings and improvements	4,430,576	339,237	(47,663)	4,722,150
	5,872,938	378,226	(47,663)	6,203,501
Less: accumulated depreciation				
General equipment	609,631	93,584	-	703,215
Vehicles	-	7,148	-	7,148
Buildings and improvements	2,202,070	81,961	(45,681)	2,238,350
	2,811,701	182,693	(45,681)	2,948,713
Business-Type Activities Capital Assets - Net	$ 3,061,237	$ 195,533	$ (1,982)	$ 3,254,788

Depreciation expense was allocated to governmental functions as follows:

Instruction	$ 91,221
Instructional staff	518,608
District administration	19,479
Plant operation & maintenance	1,700,512
Student transportation	484,805
	$ 2,814,625

(6) LONG-TERM OBLIGATIONS

A summary of activity in bond obligations and other long-term debt is as follows:

Description	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	$ 37,907,635	$ 28,110,000	$ 4,323,200	$ 61,694,435	$ 4,195,000
Premium (Discount) on bonds	-	594,196	24,758	569,438	-
Accumulated unpaid sick leave benefits	920,173	-	405,886	514,287	-
	$ 38,827,808	$ 28,704,196	$ 4,753,844	$ 62,778,160	$ 4,195,000

Bonds

The amount shown in the accompanying financial statements as debt obligations represents the District's future obligations to make lease payments relating to the bonds issued by the Campbell County School District Finance Corporation, with original amounts of issues totaling $47,760,000.

The General Fund, including utility taxes, the Facility Support Program Fund and the SEEK Capital Outlay Fund are obligated to make lease payments. The lease agreements provide, among other things, (1) for rentals sufficient to satisfy debt service requirements on bonds issued by the Campbell County School District Finance Corporation, and Kentucky School Facility Construction Commission (KSFCC) to construct school facilities and (2) the District with the option to purchase the property under lease at any time by retiring the bonds then outstanding. The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt. The original amount of present outstanding issues, the issue dates, and interest rates are summarized below:

Issue Date	Proceeds	Rates
June 1, 2011	$ 580,000	2.000% - 4.375%
March 1, 2012	975,000	1.600% - 2.450%
July 1, 2012	1,250,000	2.000% - 3.600%
August 1, 2012	11,975,000	2.000% - 2.625%
October 1, 2012	550,000	1.250% - 3.250%
February 1, 2014	415,000	2.000% - 3.000%
December 1, 2014	18,270,000	0.300% - 2.500%
September 1, 2016	6,175,000	1.000% - 3.000%
November 19, 2020	900,000	2.000% - 2.125%
October 15, 2020	15,295,000	1.050% - 1.650%
January 18, 2022	5,095,000	4.000%
January 25, 2024	28,110,000	4.000% - 5.000%

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent.

The bonds may be called prior to maturity dates at redemption premiums specified in each issue.

In connection with the bond issues, the District entered into a participation agreement with the Kentucky School Facilities Construction Commission, whereby the Commission has agreed to provide amounts on an annual basis (reflected in the following table) toward the payment of principal and interest requirements on the bonds. The agreement is in effect for a period of two years. The obligation of the Commission to make said payments shall automatically renew every two years, unless the Commission provides the District notice of its intention not to participate within sixty days prior to the expiration of the two year period.

Assuming no issues are called prior to scheduled maturity, the minimum obligations of the funds at June 30, 2024, for debt service, (principal and interest) are as shown below:

	Kentucky School Facilities Construction Commission		Campbell County School District		
Year	Principal	Interest	Principal	Interest	Total
2025	$ 873,072	$ 262,674	$ 3,321,928	$ 1,688,792	$ 6,146,466
2026	888,357	247,699	3,374,128	1,640,568	6,150,752
2027	883,875	229,425	3,461,000	1,552,864	6,127,164
2028	844,453	210,835	2,202,622	1,495,246	4,753,156
2029	864,010	191,706	2,245,990	1,451,877	4,753,583
2030-2034	3,354,296	654,446	9,560,704	6,525,847	20,095,293
2035-2039	1,404,616	310,425	7,345,384	5,140,885	14,201,310
2040-2044	868,402	102,995	9,101,598	3,380,599	13,453,594
2045-2049	-	-	11,100,000	1,393,525	12,493,525
	$ 9,981,081	$ 2,210,205	$ 51,713,354	$ 24,270,203	$ 88,174,843

(7) RETIREMENT PLANS

Kentucky Teachers Retirement System

Plan description: Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

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

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

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

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

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

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

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

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

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

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

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

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). For members who began participating before Jan. 1, 2022, non- university members are required to contribute 12.855% of their salaries to the system; university members are required to contribute 10.4% of their salaries. KRS 161.565 allows each university to reduce the contribution of its members by 2.215%; therefore, university members contribute 8.185% of their salary to TRS. For members employed by local school districts, the state (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008, and 14.105% for those who joined on or after July 1, 2008, and before Jan. 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

For members who began participating on or after Jan. 1, 2022, non-university members contribute 14.75% and university members contribute 9.775% of their salaries to the system. Employers of non-university members, including the state (as a non- employer contributing entity), contribute 10.75% of salary. University employers contribute 9.775% of member's salary to the system.

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

At June 30, 2024, the District did not report a liability for its proportionate share of the net pension liability because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net Pension liability	$ -
Commonwealth's proportionate share of the Net Pension liability associated with the District	124,877,490
	$ 124,877,490

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2023, the District's proportion was 0.7329%.

For the year ended June 30, 2024, the District recognized pension expense of $16,586,853 and revenue of $16,586,853 for support provided by the State.

Actuarial Methods and Assumptions: The total pension liability was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	3.66%
Inflation	2.5%
Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation
Post-retirement Benefit Increases	1.50% annually

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and active members.

The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	2.0%	1.6%
Total	100.0%	

Discount Rate: The discount rate used to measure the total pension liability as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the Net Pension liability associated with the District	$ 160,456,635	$ 124,877,490	$ 95,238,241

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report which is publicly available at http://www.ktrs.ky.gov/.

County Employees Retirement System

Plan description: Substantially all full-time classified employees of the District participate in the County Employees Retirement System ("CERS"). CERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions: Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2024, employers were required to contribute 23.34% (23.34% pension, 0.00% insurance) of the member's salary. During the year ending June 30, 2024, the District contributed $2,547,171 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2023. At June 30, 2023, the District's proportion was 0.3236%.

For the year ended June 30, 2024, the District recognized pension expense of approximately $1,797,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,074,737	$ 56,413
Changes of assumptions	-	1,902,724
Net difference between projected and actual earnings on investments	-	283,186
Changes in proportion and differences between District contributions and proportionate share of contributions	548,618	-
District contributions subsequent to the measurement date	2,547,171	-
	$ 4,170,526	$ 2,242,323

The $2,547,171 reported as deferred outflows of resources 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.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

Year	
2025	$ (250,026)
2026	(631,421)
2027	463,461
2028	(200,982)
Thereafter	-
	$ (618,968)

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Payroll growth	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%, net of pension plan investment expense, including inflation

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and include a change in the investment return assumption from 6.25% to 6.50%. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022." The Total Pension Liability as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session and reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024, with the lump-sum options expanded to include 48 or 60 times the member's monthly retirement allowance. Since this optional form of payment results in a reduced, actuarial equivalent, monthly retirement allowance for members who elect a partial lump-sum option, this provision does not have a fiscal impact to the total pension liability.

House Bill 506 also adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month under all circumstances. This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis or in any nonhazardous position. The actuary believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore have reflected no fiscal impact to the total pension liability of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the nonhazardous plans. But as the minimum separation period was previously three months in almost every circumstance, the actuary assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 in order to reflect a shift in the retirement pattern. The total pension liability as of June 30, 2023, for the nonhazardous plans in determined using these updated benefits provisions.

The mortality table used for active members was a Pub-2010 General Mortality table, for the Nonhazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Total	100.00%	5.75%

Discount Rate: 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 members 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 assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	$ 26,211,528	$ 20,760,613	$ 16,230,698

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the pension plan: At June 30, 2024, there was a total payable to CERS of $521,541, which includes pension and OPEB contributions.

(8) OTHER POSTEMPLOYMENT BENEFIT ("OPEB") PLANS

Kentucky Teachers Retirement System OPEB Plans

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

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

Medical Insurance Plan

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

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

Contributions – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. During the year ending June 30, 2024, the District contributed $747,384 to the medical insurance plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Medical Insurance Plan

At June 30, 2024, the District reported a liability of $9,355,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. 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 0.7078%.

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	$ 9,355,000
Commonwealth's proportionate share of the Net OPEB liability associated with the District	7,885,000
	$ 17,240,000

For the year ended June 30, 2024, the District recognized OPEB expense of ($711,000) and revenue of ($448,000) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,171,000
Changes of assumptions	2,127,000	-
Net difference between projected and actual earnings on investments	175,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,781,000	4,175,000
District contributions subsequent to the measurement date	747,384	-
	$ 6,830,384	$ 7,346,000

Of the total amount reported as deferred outflows of resources related to OPEB, $747,384 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year	
2025	$ (395,000)
2026	(381,000)
2027	151,000
2028	85,000
2029	(322,000)
Thereafter	(401,000)
	$ (1,263,000)

Actuarial methods and assumptions – The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
All ages	6.75% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2032
Medicare Part B Premiums	1.55% for FY 2023 with an ultimate rate of 4.50% by 2034
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 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 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 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'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	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed International 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	100.0%	

Discount rate - The discount rate used to measure the TOL as of the Measurement Date 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 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.
- As administrative expenses, other than the administrative fee of $8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- 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

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

- In developing the adjustments to the statutory contributions in future years, the following was assumed:
  - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
  - For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net OPEB liability	$ 12,033,000	$ 9,355,000	$ 7,142,000

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:

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 6,735,000	$ 9,355,000	$ 12,618,000

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

Life Insurance Plan

Plan description - 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 five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Life Insurance Plan

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	$ -
Commonwealth's proportionate share of the Net OPEB liability associated with the District	195,000
	$ 195,000

The net OPEB liability was measured as of June 30, 2023, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2023, the District's proportion was 0.6914%.

For the year ended June 30, 2024, the District recognized OPEB expense of $-0- and revenue of $35,000 for support provided by the State.

Actuarial methods and assumptions - The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2021, valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

The long-term expected rate of return on OPEB 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's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	40.0%	5.2%
Developed International 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%	

Discount rate - The discount rate used to measure the total OPEB liability as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 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 insurance cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the actuarially determined contribution (ADC) in accordance with the Life Insurance Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.
- As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- Active employees do not contribute to the plan.
- Cash flows occur midyear.

Based on these assumptions, the Life Insurance Trust's fiduciary net position was not projected to be depleted.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the net OPEB liability associated with the District	$ 314,000	$ 195,000	$ 99,000

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

County Employees Retirement System Insurance Fund

Plan description: The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. The CERS Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. The report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided - 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, KRS pays a percentage of the monthly contribution rate for insurance coverage 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.

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

Contributions: CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 2024, CERS allocated 0.00% of the 23.34% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan. During the year ending June 30, 2024, the District contributed $-0- to the CERS Insurance Fund. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Implicit Subsidy: The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability (asset).

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to CERS Insurance Fund

At June 30, 2024, the District reported a liability (asset) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2023. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2022. An expected total pension liability (asset) as of June 30, 2023 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability (asset) was based on contributions to CERS during the fiscal year ended June 30, 2023. At June 30, 2023, the District's proportion was 0.3235%.

For the year ended June 30, 2024, the District recognized OPEB expense of approximately $(797,000), including an implicit subsidy of $145,903. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 311,416	$ 6,342,669
Changes of assumptions	879,071	612,624
Net difference between projected and actual earnings on investments	-	103,671
Changes in proportion and differences between District contributions and proportionate share of contributions	234,836	49,610
District contributions subsequent to the measurement date	-	-
	$ 1,425,323	$ 7,108,574

Of the total amount reported as deferred outflows of resources related to OPEB, $-0- 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 (asset) in the year ended June 30, 2025.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are amortized over the average service life of all members. These will be recognized in OPEB expense as follows:

Year	
2025	$ (1,393,711)
2026	(1,754,206)
2027	(1,337,530)
2028	(1,197,804)
Thereafter	-
	$ (5,683,251)

Actuarial Methods and Assumptions - The total OPEB liability (asset) in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth Rate	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.80% at January 1, 2025 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 8.50% at January 1, 2025 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Post-retirement (disabled)	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 2010

Assumption Changes - The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled "2022 Actuarial Experiences Study for the Period Ending June 30, 2022". Additionally, the single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. Additional information regarding the single discount rates is provided below. The Total OPEB Liability as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024 and adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month for all circumstances.

This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis in any nonhazardous position. The actuary believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore have reflected no fiscal impact to the total OPEB liability of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the nonhazardous plan. But as the minimum separation period was previously three months in almost every circumstance, the actuary assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65, in order to reflect a shift in the retirement pattern. The total OPEB liability as of June 30, 2023, for the nonhazardous plan is determined using these updated benefit provisions.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Total	100.00%	5.75%

Discount rate - The discount rate used to measure the total OPEB liability (asset) was 5.93%. The single discount rates are 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. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. 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 (asset) 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 (asset) 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:

	1% Decrease (4.93%)	Current discount rate (5.93%)	1% Increase (6.93%)
District's proportionate share of the net OPEB liability (asset)	$ 838,281	$ (446,698)	$ (1,522,712)

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	$ (1,431,746)	$ (446,698)	$ 763,340

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the OPEB plan: At June 30, 2024, there was a total payable to CERS of $521,541, which includes pension and OPEB contributions.

(9) CONTINGENCIES

The District receives funding from Federal and State government agencies. These funds are to be used for designated purposes only. For Government agency grants, if based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

The District is subject to certain legal proceedings arising from normal business activities. Administrative officials believe that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the accompanying financial statements.

(10) 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 workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky Employer's Mutual 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 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 (24) 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 (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

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

(11) COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. It is managements' opinion that the District is in compliance with the COBRA requirements.

(12) INTERFUND TRANSACTIONS

Interfund Receivable and Payables: During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds are eliminated in the Statement of Net Position. As of June 30, 2024, there were no interfund balances.

*Interfund Transfe*rs: The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Technology Match	$ 1,359,283
Operating	Building	Construction	Construction	1,097,908
Operating	Building	Debt Service	Debt Service	3,961,963
Operating	Food Service	General	Indirect Costs	239,993
Operating	Special Revenue	General	Indirect Costs	24,189
Capital	Capital Outlay	General	Bus Purchase	467,050

(13) ON-BEHALF PAYMENTS

For the year ended June 30, 2024, total payments of $15,872,434 were made by the Commonwealth of Kentucky on behalf of the District for life insurance, health insurance, and KTRS matching and administrative fees, and vocational education. These payments were recognized as on-behalf payments and are recorded in the appropriate revenue and expense account on the Statement of Activities and the Government Funds Statement of Revenue, Expenditures and Changes in Fund Balance.

On-behalf payments at June 30, 2024 consisted of the following:

Teacher Retirement	$ 7,511,530
Teacher Retirement - Health & Life	632,845
Health Insurance	6,608,103
Life Insurance	8,757
Admin Fee	69,996
HRA/Dental/Vision	291,375
Federal Reimbursement	(540,441)
Technology	111,950
Debt Service	1,178,319
Total on-behalf	$ 15,872,434

REQUIRED SUPPLEMENTARY INFORMATION

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
District's proportion of the net pension liability	0.3236%	0.3158%	0.3065%	0.3061%	0.2915%	0.3052%	0.3079%	0.3021%	0.2945%	0.2968%
District's proportionate share of the net pension liability	$ 20,760,613	$ 22,818,502	$ 19,543,819	$ 23,474,165	$ 20,757,820	$ 18,586,940	$ 18,020,226	$ 14,875,926	$ 12,661,848	$ 9,630,000
District's covered payroll	$ 9,752,979	$ 8,733,682	$ 7,827,386	$ 7,824,067	$ 7,442,367	$ 7,565,999	$ 7,493,016	$ 7,537,214	$ 6,634,972	$ 6,845,079
District's proportionate share of the net pension liability as a percentage of its covered payroll	212.864%	261.270%	249.685%	300.025%	278.914%	245.664%	240.494%	197.366%	190.835%	140.685%
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	0.7329%	0.7215%	0.7215%	0.7160%	0.7036%	0.6796%	0.6550%	0.6419%	0.6358%	0.6267%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	124,877,490	129,002,731	93,895,688	101,473,426	96,001,581	88,993,460	176,749,656	189,347,033	147,942,805	128,787,900
Total	$ 124,877,490	$ 129,002,731	$ 93,895,688	$ 101,473,426	$ 96,001,581	$ 88,993,460	$ 176,749,656	$ 189,347,033	$ 147,942,805	$ 128,787,900
District's covered payroll	$ 27,367,866	$ 26,026,762	$ 26,025,723	$ 24,603,411	$ 24,317,300	$ 23,286,240	$ 22,359,061	$ 21,538,836	$ 21,875,044	$ 19,175,574
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
Contractually required contribution	$ 2,547,171	$ 2,282,197	$ 1,848,920	$ 1,510,685	$ 1,510,045	$ 1,207,152	$ 1,095,557	$ 1,045,276	$ 936,122	$ 845,959
Contributions in relation to the contractually required contribution	2,547,171	2,282,197	1,848,920	1,510,685	1,510,045	1,207,152	1,095,557	1,045,276	936,122	845,959
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,913,329	$ 9,752,979	$ 8,733,682	$ 7,827,386	$ 7,824,067	$ 7,442,367	$ 7,565,999	$ 7,493,016	$ 7,537,214	$ 6,634,972
District's contributions as a percentage of its covered payroll	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 27,367,866	$ 26,026,762	$ 26,025,723	$ 24,603,411	$ 24,317,300	$ 23,286,240	$ 22,359,061	$ 21,538,836	$ 21,875,044	$ 19,175,574
District's contributions as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:							
District's proportion of the net OPEB liability/asset	0.3235%	0.3065%	0.4029%	0.3868%	0.3222%	0.3785%	0.3826%
District's proportionate share of the net OPEB liability (asset)	$ (446,698)	$ 6,231,527	$ 5,867,043	$ 7,388,197	$ 4,962,961	$ 5,418,375	$ 6,189,119
District's covered payroll	$ 9,752,979	$ 8,733,682	$ 7,827,386	$ 7,824,067	$ 7,442,367	$ 7,565,999	$ 7,493,016
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-4.580%	71.351%	74.955%	94.429%	66.685%	71.615%	82.599%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:							
District's proportion of the net OPEB liability	0.7078%	0.7279%	0.6942%	0.7059%	0.6748%	0.6495%	0.6247%
District's proportionate share of the net OPEB liability	$ 9,355,000	$ 13,601,000	$ 8,220,000	$ 9,639,000	$ 10,926,000	$ 12,104,000	$ 12,260,000
State's proportionate share of the net OPEB liability associated with the District	7,885,000	4,468,000	6,676,000	7,721,000	8,824,000	10,431,000	10,015,000
Total	$ 17,240,000	$ 18,069,000	$ 14,896,000	$ 17,360,000	$ 19,750,000	$ 22,535,000	$ 22,275,000
District's covered payroll	$ 24,232,333	$ 22,666,500	$ 22,483,933	$ 21,667,967	$ 20,714,000	$ 19,635,267	$ 19,166,667
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.605%	60.005%	36.559%	44.485%	52.747%	61.644%	63.965%
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.

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET) (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)						
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:							
District's proportion of the net OPEB liability	0.6914%	0.7125%	0.6744%	0.6703%	0.6573%	0.6332%	0.6138%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the District	195,000	222,000	89,000	233,000	205,000	179,000	134,000
Total	$ 195,000	$ 222,000	$ 89,000	$ 233,000	$ 205,000	$ 179,000	$ 134,000
District's covered payroll	$ 24,232,333	$ 22,666,500	$ 22,483,933	$ 21,667,967	$ 20,714,000	$ 19,635,267	$ 19,166,667
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
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.

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:								
Contractually required contribution	$ -	$ 330,626	$ 504,807	$ 372,584	$ 372,426	$ 391,469	$ 355,602	$ 354,420
Contributions in relation to the contractually required contribution	-	330,626	504,807	372,584	372,426	391,469	355,602	354,420
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered payroll	$ 10,913,329	$ 9,752,979	$ 8,733,682	$ 7,827,386	$ 7,824,067	$ 7,442,367	$ 7,565,999	$ 7,493,016
District's contributions as a percentage of its covered payroll	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%	4.73%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:								
Contractually required contribution	$ 747,384	$ 726,970	$ 679,995	$ 674,518	$ 650,039	$ 621,420	$ 589,058	$ 575,000
Contributions in relation to the contractually required contribution	747,384	726,970	679,995	674,518	650,039	621,420	589,058	575,000
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered payroll	$ 24,877,701	$ 24,232,333	$ 22,666,500	$ 22,483,933	$ 21,667,967	$ 20,714,000	$ 19,635,267	$ 19,166,667
District's contributions as a percentage of its covered payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:								
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered payroll	$ 24,877,701	$ 24,232,333	$ 22,666,500	$ 22,483,933	$ 21,667,967	$ 20,714,000	$ 19,635,267	$ 19,166,667
District's contributions as a percentage of its covered 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.

(1) CHANGES OF ASSUMPTIONS

KTRS

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

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

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

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

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

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

CERS

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service.)
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 6.50%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	24.4 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increase	3.5% to 7.3%, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

<u>CERS</u>

The following actuarial methods and assumptions were used to determine contribution rates for the year ending June 30, 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	30 years, closed
Payroll Growth	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Mortality	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
Phase-in provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

(3) CHANGES OF BENEFITS

<u>KTRS</u>

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

<u>CERS</u>

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member’s final rate of pay to 75% of the member’s average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member’s final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2019 is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for qualified members who become “totally and permanently disabled” as a result of a duty-related disability. The minimum disability benefit increased from 25% of the member’s monthly final rate of pay to 75% of the member’s monthly average pay. The insurance premium for the member, the member’s spouse, and the member’s dependent children shall also be paid in full by the System. For non-hazardous members to be eligible for this benefit, they must be working in a position that could be certified as a hazardous position. There were no other material plan provision changes since the prior valuation.

CAMPBELL COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – PENSION PLANS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

(1) CHANGES OF ASSUMPTIONS

KTRS

Medical Insurance Plan & *Life Insurance Plan:* The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2020:

- 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 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 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

For 2022, the health care trend rates were updated to reflect future anticipated experience.

CERS Insurance Fund

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service.)
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the June 30, 2020 measurement date, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.9% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

For the June 30, 2022 measurement date, the single discount rates used to calculate the total OPEB liability was changed to 5.70%.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 5.93%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

Medical Insurance Plan – The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts.

Life Insurance Plan **-** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	24 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.2%, including wage inflation
Discount rate	7.50%

CERS Insurance Fund

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2023:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed

Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.30% at January 1, 2023, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement. Additionally, Humana provided "Not to Exceed" 2022 Medicare premiums, which were incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022.
Mortality	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.

(3) CHANGES OF BENEFITS

KTRS

Medical Insurance Plan – A new benefit tier was added for members joining the System on and after January 1, 2022.

Life Insurance Plan - A new benefit tier was added for members joining the System on and after January 1, 2022.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2019, is determined using these updated benefit provisions.

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

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

SUPPLEMENTARY INFORMATION

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

	Building Fund	Capital Outlay Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 1,691,943	$ 85,141	$ -	$ 101,815	$ 606,464	$ 2,485,363
Accounts receivable	-	-	-	-	-	-
Total assets	$ 1,691,943	$ 85,141	$ -	$ 101,815	$ 606,464	$ 2,485,363
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances:						
Restricted	1,691,943	85,141	-	101,815	606,464	2,485,363
Total fund balance	1,691,943	85,141	-	101,815	606,464	2,485,363
Total liabilities and fund balances	$ 1,691,943	$ 85,141	$ -	$ 101,815	$ 606,464	$ 2,485,363

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

	Building Fund	Capital Outlay Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
REVENUES:						
From local sources -						
Property taxes	$ 5,667,975	$ -	$ -	$ -	$ -	$ 5,667,975
Other local revenues	-	-	-	338,959	1,942,210	2,281,169
Intergovernmental - State	-	474,397	1,178,319	-	-	1,652,716
Total revenues	5,667,975	474,397	1,178,319	338,959	1,942,210	9,601,860
EXPENDITURES:						
Current -						
Instruction	-	-	-	343,794	-	343,794
Student support:						
Operation and maintenance of plant	-	-	-	9,820	-	9,820
Other non-instructional	-	-	-	-	1,836,953	1,836,953
Debt service	-	-	5,140,282	-	-	5,140,282
Total expenditures	-	-	5,140,282	353,614	1,836,953	7,330,849
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,667,975	474,397	(3,961,963)	(14,655)	105,257	2,271,011
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	3,961,963	-	-	3,961,963
Operating transfers out	(5,059,871)	(467,050)	-	-	-	(5,526,921)
Total other financing sources (uses)	(5,059,871)	(467,050)	3,961,963	-	-	(1,564,958)
NET CHANGE IN FUND BALANCES	608,104	7,347	-	(14,655)	105,257	706,053
FUND BALANCE, JUNE 30, 2023	1,083,839	77,794	-	116,470	501,207	1,779,310
FUND BALANCE, JUNE 30, 2024	$ 1,691,943	$ 85,141	$ -	$ 101,815	$ 606,464	$ 2,485,363

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

	Cash Balance June 30, 2023	Receipts	Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Restricted Fund Balance June 30, 2024
Campbell County High School	$ 300,231	$ 1,167,700	$ (1,131,216)	$ 336,715	$ -	$ -	$ 336,715
Campbell County Middle School	58,194	380,048	(330,192)	108,050	-	-	108,050
Campbell Ridge Elementary	35,042	110,668	(103,996)	41,714	-	-	41,714
Crossroads Elementary	16,546	60,484	(65,468)	11,562	-	-	11,562
Donald E. Cline Elementary	32,136	59,431	(60,520)	31,047	-	-	31,047
Grant's Lick Elementary	22,853	74,836	(69,387)	28,302	-	-	28,302
John W. Reiley Elementary	36,205	89,043	(76,174)	49,074	-	-	49,074
	$ 501,207	$ 1,942,210	$ (1,836,953)	$ 606,464	$ -	$ -	$ 606,464

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

	Cash Balance June 30, 2023	Receipts	Disburse-ments	Transfers	Cash Balance June 30, 2024	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2024
Student General Use	$ 32,027	$ 1,459	$ (26,197)	$ 31,954	$ 39,243	$ -	$ 39,243
Field Trip Fees/transport	11	-	-	-	11	-	11
Bank Interest/charges	12,048	25,412	(6,725)	(12,048)	18,687	-	18,687
Camel Store	706	-	-	-	706	-	706
Project Graduation	1,650	14,066	(14,098)	(869)	749	-	749
Prom	307	35,220	(34,730)	(10)	787	-	787
Ysc	-	168	-	-	168	-	168
Guidance Dept	1,753	2,677	(321)	-	4,109	-	4,109
Staff Account	1,202	3,037	(3,865)	-	374	-	374
Start-up Funds	-	3,300	(3,100)	(200)	-	-	-
Greenhouse	11,460	7,430	(5,996)	(2,000)	10,894	-	10,894
Student Fees	787	193,242	(11,042)	(181,938)	1,049	-	1,049
Parking Fees	-	11,145	-	(11,145)	-	-	-
Daf-sweep	-	-	(201,287)	201,287	-	-	-
Band Fees	-	5,330	-	(5,330)	-	-	-
Women Of Campbell	-	-	-	-	-	-	-
Social Studies Ft	519	-	-	-	519	-	519
Spanish Honor Society	1,825	5,610	(4,477)	(40)	2,918	-	2,918
Choir	6,579	25,970	(30,677)	3,460	5,332	-	5,332
Advanced Placement	32,606	6,130	(8,279)	-	30,457	-	30,457
Engineering Ft	121	-	(146)	25	-	-	-
Language Arts Ft	-	-	(125)	125	-	-	-
Business Ft	117	1,080	(845)	-	352	-	352
Communications Ft	-	55	(194)	139	-	-	-
Art Ft	-	-	(149)	149	-	-	-
World Language	219	3,965	(3,891)	-	293	-	293
Vocational Facs	1,414	4,223	(5,428)	750	959	-	959
Library	1,564	235	(652)	-	1,147	-	1,147
Library Technology Funds	72	2,832	(20)	(2,864)	20	-	20
Science Ft	661	975	(1,102)	-	534	-	534
Health/pe	697	2,174	(2,280)	(54)	537	-	537
National Ffa Organization	2,124	13,030	(15,791)	1,960	1,323	-	1,323
Stlp	126	-	-	-	126	-	126
Photo Club	904	-	(286)	(4)	614	-	614
Archery Club	1,242	490	(755)	(40)	937	-	937
Tsa	4,975	14,296	(16,201)	-	3,070	-	3,070
Beta	2,002	-	-	-	2,002	-	2,002
Drama Club	5,650	36,702	(39,183)	(40)	3,129	-	3,129
Hosa	607	6,642	(5,862)	(60)	1,327	-	1,327
Robotics	3,926	-	(4,260)	334	-	-	-
Film Club	-	20	-	-	20	-	20
Fbla	2,651	1,710	(2,907)	(60)	1,394	-	1,394
Fccla	530	4,238	(4,874)	1,250	1,144	-	1,144
French Club	3	125	-	(40)	88	-	88
Nat French Honor Soc	36	-	-	-	36	-	36
Nhs	888	1,695	(1,463)	(40)	1,080	-	1,080
Math Club	251	23	(35)	-	239	-	239
Pep Club	151	510	-	(40)	621	-	621
Student Council	1,018	1,720	(896)	(40)	1,802	-	1,802
Yearbook	2,254	3,703	(2,257)	(40)	3,660	-	3,660
Key Club	2,355	86	(421)	(40)	1,980	-	1,980
Parade/homecoming	1,030	-	(897)	720	853	-	853
Art Club	603	513	(743)	(185)	188	-	188
Book & Media Club	283	-	-	-	283	-	283

CAMPBELL COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
CAMPBELL COUNTY HIGH SCHOOL (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	Cash Balance June 30, 2023	Receipts	Disburse-ments	Transfers	Cash Balance June 30, 2024	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2024
Ski Club	$ 3,145	$ 2,017	$ (633)	$ (40)	$ 4,489	$ -	$ 4,489
Snowball Dance	885	22,665	(9,587)	(12,900)	1,063	-	1,063
Dance/homecoming	3,000	19,680	(6,099)	(15,500)	1,081	-	1,081
Drug-free Club	649	-	-	-	649	-	649
Act Prep	40	1,160	(1,064)	-	136	-	136
Boardgame Club	6	435	(423)	-	18	-	18
Human Rights Club	9	-	-	-	9	-	9
Chemistry Club	8	165	-	(40)	133	-	133
Math Calculator/equipment	10,160	800	(1,242)	-	9,718	-	9,718
Cheer-sideline	-	872	-	-	872	-	872
Esports	-	1,325	-	(1,325)	-	-	-
Baseball	3,728	44,397	(42,574)	6,804	12,355	-	12,355
Boys Basketball	9,282	25,572	(27,310)	(914)	6,630	-	6,630
Girls Basketball	4,277	35,226	(30,695)	4,384	13,192	-	13,192
Cheer-competitive	2,034	24,114	(12,521)	(12,471)	1,156	-	1,156
Cross Country	3,136	7,738	(10,429)	301	746	-	746
Girls Golf	2,615	4,210	(4,913)	(150)	1,762	-	1,762
Football	7,566	59,378	(48,098)	(5,953)	12,893	-	12,893
Boys Golf	1,054	2,357	(3,267)	-	144	-	144
Boys Soccer	7,278	12,842	(16,414)	(2,779)	927	-	927
Girls Soccer	3,104	19,947	(7,444)	(2,608)	12,999	-	12,999
Softball	3,644	14,432	(11,808)	(1,831)	4,437	-	4,437
Swim	4,357	3,081	(7,344)	321	415	-	415
Tennis	849	8,926	(7,458)	(1,958)	359	-	359
Track	4,566	16,764	(10,889)	(1,001)	9,440	-	9,440
Volleyball	6,679	8,548	(5,669)	(2,564)	6,994	-	6,994
Wrestling	6,158	6,665	(4,333)	(138)	8,352	-	8,352
Bowling	-	500	-	-	500	-	500
Cchs Band Of Pride	991	90,638	(86,813)	(4,816)	-	-	-
Ruby Gay Campbell Schol	28,581	-	-	-	28,581	-	28,581
Carnes Memorial	10,660	-	(2,500)	-	8,160	-	8,160
Missy White Memorial	4,130	-	(4,130)	-	-	-	-
Greg Rose Memorial Schola	6,121	50	(1,000)	-	5,171	-	5,171
Academic Team/expenses	1,877	7,169	(8,258)	-	788	-	788
Camel Spirit Scholarship	4,644	-	-	-	4,644	-	4,644
Cchs Athletics	635	194,278	(214,232)	20,294	975	-	975
Athletics Concessions	25	-	-	-	25	-	25
Athletic Sponsorship	-	-	-	2,900	2,900	-	2,900
Stadium Sponsorship	-	13,900	-	(13,900)	-	-	-
Athletics District Tourny	5,916	2,405	(748)	-	7,573	-	7,573
Athletics Regional Tourny	1,737	9,477	(17,072)	5,858	-	-	-
Athletics Advertising	1,056	1,136	-	-	2,192	-	2,192
Athletics Merch/spirit St	798	15,798	(11,252)	-	5,344	-	5,344
Athletic Project Fund	120	40,000	(47,848)	15,000	7,272	-	7,272
Ath Hall Of Fame	2,743	6,414	(3,312)	-	5,845	-	5,845
Charitable Gaming	14	1,381	(1,380)	-	15	-	15
Total	$ 300,231	$ 1,167,700	$ (1,131,216)	$ -	$ 336,715	$ -	$ 336,715

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed through Kentucky Department of Education:				
Title I Grants to Local Educational Agencies	84.002	371X	$ -	$ 40,439
Title I Grants to Local Educational Agencies	84.010	3100002-21	-	99,901
Title I Grants to Local Educational Agencies	84.010	3100002-22	-	105,101
Title I Grants to Local Educational Agencies	84.010	3100002-23	-	44,998
Title I Grants to Local Educational Agencies	84.010	3100002-24	-	676,658
				926,658
Title I Grant for Neglected and Delinquent Children	84.013	313J	-	11,145
Title I Grant for Neglected and Delinquent Children	84.013	313K	-	9,130
				20,275
Homeless Children & Youth	84.196	3990002.21	-	27,211
Homeless Children & Youth	84.196	3990002.22	-	74,853
				102,064
21st Century Community Learning Centers Program	84.287	3400002.21	-	64,202
21st Century Community Learning Centers Program	84.287	3400002.22	-	363,825
				428,027
Title I Grant for Neglected and Delinquent Children	84.351	315K	-	27,710
Title I Grant for Neglected and Delinquent Children	84.351	315L	-	95,955
				123,665
Special Education Cluster (IDEA):				
Special Education Grants to States - IDEA, Part B	84.027	3810002.22	-	757,030
Special Education Grants to States - IDEA, Part B	84.027	3810002.23	-	1,753,085
COVID-19 Special Education Grants to States - IDEA, Part B	84.027	4910002.23	-	145,568
Special Education Preschool Grants	84.173	3800002.23	-	40,436
COVID-19 Special Education Grants to States - IDEA, Part B, Preschool	84.173	4900002.22	-	43,219
Total Special Education Cluster (IDEA):				2,739,338
Improving Teacher Quality State Grants	84.367	3230002.22	-	54,622
Improving Teacher Quality State Grants	84.367	3230002.23	-	150,006
				204,628
Vocational Education Basic Grants to States	84.048	3710002.22	-	9,180
Vocational Education Basic Grants to States	84.048	3710002.23	-	53,855
				63,035
Student Support and Academic Enrichment Program	84.424	3420002.22	-	22,178
Student Support and Academic Enrichment Program	84.424	3420002.23	-	25,950
				48,128
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	473G	-	667,160
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	473GD	-	12,396
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	476IC	-	4,409
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	554G	-	1,707
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	554GD	-	160,841
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425C	554GS	-	264,993
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	563J	-	22,584
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	563JA	-	9,042
				1,143,132
Total U.S. Department of Education				5,839,389

CAMPBELL COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services				
Direct Programs:				
Substance Abuse and Mental Health Services Projects	93.243		-	916,563
Passed through State Department for Community Based Services:				
Promoting Adolescent Health Through School-Based Survelliance	93.079	493J	-	117
CARES - Child Care Development Fund	93.575	562KP	-	269,983
Total U.S. Department of Health and Human Services				1,186,663
U.S. Department of Justice				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710		-	58,314
Total U.S. Department of Justice				58,314
U.S. Department of Agriculture				
Passed through Kentucky Department of Education:				
Cash Assistance:				
Child and Adult Care Food Program	10.558	7790021.23	-	9,335
Child and Adult Care Food Program	10.558	7790021.24	-	83,621
Child and Adult Care Food Program	10.558	7800016.23	-	552
Child and Adult Care Food Program	10.558	7800016.24	-	5,219
				98,727
State Administrative Expenses for Child Nutrition	10.560	7700001.22	-	5,913
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	7690024.24	-	3,085
Summer Food Service Program for Children	10.559	7740023.24	-	333,261
Summer Food Service Program for Children	10.559	7740023.23	-	12,923
National School Lunch Program	10.555	9980000.24	-	2,405
National School Lunch Program	10.555	9980000.23	-	158,795
National School Lunch Program	10.555	7750002.24	-	1,403,776
National School Lunch Program	10.555	7750002.23	-	328,196
School Breakfast Program	10.553	7760005.24	-	543,772
School Breakfast Program	10.553	7760005.23	-	114,418
				2,900,631
Non-Cash Assistance:				
Food Donation	10.555	7750002.24	-	301,417
Total Child Nutrition Cluster:				3,202,048
Total U.S. Department of Agriculture				3,306,688
Total Expenditures of Federal Awards				$ 10,391,054

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under the programs of the federal government for the year. 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 the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, commodities on hand are included in the total inventory of $84,527.

NOTE D - INDIRECT COST RATE

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

Kelley Galloway Smith Goolsby, PSC
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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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Campbell County School District
Alexandria, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities* and *State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Campbell County School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated September 30, 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.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
September 30, 2024

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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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Campbell County School District
Alexandria, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Campbell County School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
September 30, 2024

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

(A) SUMMARY OF AUDIT RESULTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal Control over financial reporting:				
Material weakness(es) identified?	______	yes	x	no
Significant deficiency(ies) identified?	______	yes	x	none reported
Noncompliance material to the financial statements noted?	______	yes	x	no
Federal Awards				
Internal control over major federal programs:				
Material weakness(es) identified?	______	yes	x	no
Significant deficiency(ies) identified?	______	yes	x	none reported
Type of audit auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______	yes	x	no

Identification of Major Programs:	ALN
Education Stabilization Fund	84.425C, 84.425D, 84.425U, 84.425W
Child Nutrition Cluster	10.553, 10.555, 10.559
Substance Abuse and Mental Health Services Projects	93.243

Dollar threshold to distinguish between Type A and Type B Programs:	$ 750,000			
The District qualified as a low risk auditee	______	yes	x	no

(B) FINANCIAL STATEMENT FINDINGS

There were no findings in the current year.

(C) FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings in the current year.

CAMPBELL COUNTY SCHOOLS
101 Orchard Lane Alexandria, KY 41001
campbell.kyschools.us Phone: 859.635.2173 Fax: 859.448.2439
Dr. Shelli Wilson, Superintendent | Adam Ritter, Assoc. Superintendent | Mark Krummen, Asst. Superintendent

September 30, 2024

Kelley Galloway Smith Goolsby, PSC
1200 Corporate Court
PO Box 990
Ashland, KY 41102

Dear Sir or Madam:

We have prepared the accompanying summary schedule of prior audit findings as required by 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. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Dr. Shelli Wilson
Superintendent

CAMPBELL COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Finding Number	Finding/Noncompliance	Status	Responsible Contact Person
2023-001	The District should have internal controls in place to ensure its bank accounts are reconciled timely.	Corrected	Joey Cucchiara., Director of Finance
2023-002	The District should have internal controls in place to ensure its balance sheet accounts are accurate.	Corrected	Joey Cucchiara., Director of Finance

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Kentucky State Committee for School District Audits
Members of the Board of Education
Campbell County School District
Alexandria, Kentucky

In planning and performing our audit of the financial statements of Campbell County School District (the "District") as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated September 30, 2024, on the financial statements of the District.

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

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
September 30, 2024

CAMPBELL COUNTY SCHOOL DISTRICT

MANAGEMENT LETTER POINTS

FOR THE YEAR ENDED JUNE 30, 2024

2024-01 Elementary School Activity Funds – Treasurer Bond

Condition: During our review of controls and procedures for each school activity fund, we note that the school treasurers/bookkeepers at the elementary schools are not bonded.

Criteria: Per the "Expenditures" section of the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), all school treasurers are required to be bonded to protect against losses from fraudulent or dishonest acts.

Cause: Oversight

Effect: Noncompliance with Redbook requirements

Recommendation: We recommend that a bond be purchased that covers the treasurers/bookkeepers at each elementary school.

Management Response: Upon discussion with the audit firm, I recognize that it is the recommended best practice to have fidelity bonds in place for our elementary school bookkeepers. I have since contacted our insurance provider and sourced bonds for each elementary bookkeeper. This will be in place moving forward.

<u>Status of Prior Year Management Points</u>

All prior year conditions have been implemented and corrected. Dr. Shelli Wilson, Superintendent, and Mr. Joey Cucchiara, Director of Finance, are the persons responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately. The corrective action plan is the management response for each condition.