

CRITTENDEN COUNTY SCHOOL DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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**CRITTENDEN COUNTY SCHOOL DISTRICT
JUNE 30, 2024**

BOARD OF EDUCATION

Christopher Cook, Chairperson
William Asbridge
Tim Grau
Eric LaRue
Ryan McDaniel

ADMINISTRATIVE STAFF

Tonya Driver, Superintendent
Diane Winters, Finance Officer

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INDEPENDENT AUDITORS' REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Crittenden County School District
Marion, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Crittenden County School District (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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 budgetary comparison information and pension and postemployment benefits schedules, as listed in the table of contents, 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 introductory section, combining and individual nonmajor fund financial statements and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, combining and individual nonmajor fund financial statements, other information 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 December 4, 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 Crittenden County School District's internal control over financial reporting and compliance.

DGA, PSC

DGA, PSC

Certified Public Accountants
Hopkinsville, Kentucky

December 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

As management of the Crittenden County School District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District’s financial performance.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the District was \$11.6M, as compared with the beginning cash balance of \$2.3M. The ending cash balance consisted of amounts in the General Fund of \$1.2M, Special Revenue Fund of \$0, Construction Fund of \$9.1M, Nonmajor Governmental Funds of \$386K and Food Service Fund of \$928K.
- Total government-wide net position increased \$2.3M. Total noncurrent obligations had a net increase of \$7.7M, while the unrestricted net position decreased \$6.8M and restricted net position increased \$8.2M.
- The General Fund had \$13.1M in revenues, which primarily consisted of the state program (SEEK) funds, property, utilities and motor vehicle taxes and on-behalf payments for fringe benefits from the Commonwealth of Kentucky. General Fund revenues increased in comparison to prior year revenues of \$13.5M. Excluding interfund transfers, there were \$13.3M in General Fund expenditures. This compares to \$14M in General Fund expenditures for the prior year.
- The financial statements reflect a total of \$4M of revenues and aid from the state for payments made by the state on-behalf of district employees for retirement contributions, health insurance, technology and debt service. A like amount of expenses is also recorded in the financial statements.

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.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Government-wide financial statements – The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and how it has changed. Net position – the difference between the District’s assets plus deferred outflows of resources and the District’s liabilities plus deferred inflows of resources – is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, all the District’s activities are reported as governmental activities.

- Governmental activities – All the District’s basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of the activities.

Fund Financial Statements – The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

The District has two kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – The District’s proprietary fund is Food Service. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is a fiduciary for assets that belong to others and is responsible for ensuring that assets reported in the fiduciary funds are used only for their intended purposes. These funds are excluded from the government-wide financial statements because the assets cannot be used to finance the operations of the District.

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.

Other information – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules as listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$2.5M as of June 30, 2024.

The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District’s net position, \$7.5M, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; 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. An additional portion of the District’s net position, \$8.4M, represents resources subject to external restrictions on how they may be used.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Following is a summary of the District’s government-wide net position as of June 30, 2024 and 2023:

Net Position

	Governmental Activities		Business-type Activities		District Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets and other assets	\$12,800,113	\$2,343,882	\$1,046,075	\$ 943,804	\$13,846,188	\$3,287,686
Capital assets	14,057,007	10,931,177	176,651	60,558	14,233,658	10,991,735
Total assets	<u>26,857,120</u>	<u>13,275,059</u>	<u>1,222,726</u>	<u>1,004,362</u>	<u>28,079,846</u>	<u>14,279,421</u>
Deferred outflows of resources	<u>3,101,126</u>	<u>3,510,633</u>	<u>225,772</u>	<u>251,905</u>	<u>3,326,898</u>	<u>3,762,538</u>
LIABILITIES						
Current liabilities	3,032,579	1,311,061	43,337	41,778	3,075,916	1,352,839
Long-term debt	<u>20,965,328</u>	<u>12,981,019</u>	<u>565,441</u>	<u>851,305</u>	<u>21,530,769</u>	<u>13,832,324</u>
Total liabilities	<u>23,997,907</u>	<u>14,292,080</u>	<u>608,778</u>	<u>893,083</u>	<u>24,606,685</u>	<u>15,185,163</u>
Deferred inflows of resources	<u>3,964,219</u>	<u>2,467,196</u>	<u>362,074</u>	<u>172,152</u>	<u>4,326,293</u>	<u>2,639,348</u>
NET POSITION						
Net investment in capital assets	7,375,807	6,578,685	176,651	60,558	7,552,458	6,639,243
Restricted	8,428,092	247,339	-	-	8,428,092	247,339
Unrestricted	<u>(13,807,779)</u>	<u>(6,799,608)</u>	<u>300,995</u>	<u>130,474</u>	<u>(13,506,784)</u>	<u>(6,669,134)</u>
Total net position	<u>\$ 1,996,120</u>	<u>\$ 26,416</u>	<u>\$ 477,646</u>	<u>\$ 191,032</u>	<u>\$ 2,473,766</u>	<u>\$ 217,448</u>

The net pension liability (NPL) and the net other postemployment benefits (OPEB) liability are the largest liabilities reported by the District as of June 30, 2024. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB 68 (pension) and GASB 75 (OPEB) require the net pension liability and the net OPEB liability to equal the District’s proportionate share of each plan’s collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service.
2. Minus plan assets available to pay these benefits.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for-benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Changes in benefits, contribution rates and return on investments affect the balance of these liabilities but are outside the control of the local government.

In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District’s statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan’s change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows of resources.

The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District, and the payments are recorded as revenue from the State. The result is an increase in net position from the direct payment of principal and interest by the SFCC of \$296K. Another increase is the expenditure of current revenues on capital assets, an expenditure that does not reduce net position on the government-wide statements. The decrease in business-type activities net position is due mainly to current year changes in pension liability charges.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Following is a summary of changes in the District’s net position for the years ended June 30, 2024 and 2023:

Changes in Net Position

	Governmental Activities		Business-type Activities		District Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenues						
Operating grants and contributions	\$ 8,186,919	\$ 7,627,191	\$ 1,152,324	\$ 1,226,704	\$ 9,339,243	\$ 8,853,895
Capital grants and contributions	296,708	288,747	-	-	296,708	288,747
Charges for services	-	-	93,130	61,828	93,130	61,828
General revenues						
Property taxes	2,444,073	2,285,196	-	-	2,444,073	2,285,196
Other taxes	980,623	1,006,037	-	-	980,623	1,006,037
Investment earnings	373,923	11,492	31,219	4,387	405,142	15,879
State aid	6,647,691	6,416,265	90,619	73,258	6,738,310	6,489,523
Other	448,158	451,646	-	-	448,158	451,646
Gain(loss) on sale of fixed assets	272,466	53,677	-	61	272,466	53,738
Total revenues	19,650,561	18,140,251	1,367,292	1,366,238	21,017,853	19,506,489
EXPENSES						
Instruction	10,086,684	10,300,324	-	-	10,086,684	10,300,324
Support services						
Student	1,097,293	1,219,652	-	-	1,097,293	1,219,652
Instructional staff	1,102,791	1,036,607	-	-	1,102,791	1,036,607
District administration	666,750	513,014	-	-	666,750	513,014
School administration	1,147,759	1,029,325	-	-	1,147,759	1,029,325
Business	383,573	396,438	-	-	383,573	396,438
Plant operations and maintenance	1,436,693	1,405,794	-	-	1,436,693	1,405,794
Student transportation	776,547	1,158,711	-	-	776,547	1,158,711
Community service activities	137,769	151,779	-	-	137,769	151,779
Building acquisition and construction	322,174	-	-	-	322,174	-
Interest on long-term debt	498,883	238,295	-	-	498,883	238,295
Other instructional	21,394	305,563	-	-	21,394	305,563
Food service	2,547	2,694	1,080,678	1,163,445	1,083,225	1,166,139
Total expenses	17,680,857	17,758,196	1,080,678	1,163,445	18,761,535	18,921,641
Change in net position before transfers	1,969,704	382,055	286,614	202,793	2,256,318	584,848
Transfers in(out)	-	-	-	-	-	-
Change in net position after transfers	\$ 1,969,704	\$ 382,055	\$ 286,614	\$ 202,793	\$ 2,256,318	\$ 584,848

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$10.4M, an increase of \$8.7M in comparison with the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements for the fiscal years ended June 30, 2024 and 2023.

The main sources of the General Fund’s revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the District’s activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the State and expenditures of those grants for specific programs in accordance with the grants’ guidelines.

The SEEK Capital Outlay Fund’s revenues are derived from state SEEK allowances based upon student enrollment. The FSPK Building Fund’s revenues are produced by a five-cent property tax equivalent. The use of both funds’ resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing.

The Debt Service Fund is used to account for all activities related to long-term bond obligations.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Following is a summary of fund balances as of June 30, 2024 and 2023:

Governmental Funds	2024	2023	Increase (Decrease)
General Fund	\$ 1,679,306	\$ 1,250,208	\$ 429,098
Special Revenue Fund	-	-	-
FSPK Fund	22,265	22,265	-
Construction Fund	8,320,827	140,074	8,180,753
District Activity Fund	18,681	11,704	6,977
Student Activity	344,765	304,365	40,400
SEEK Capital Outlay Fund	-	-	-
Total governmental funds	<u>\$10,385,844</u>	<u>\$ 1,728,616</u>	<u>\$ 8,657,228</u>

General Fund – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1.5M, while total fund balance was \$10.4M. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 11.31% of total General Fund expenditures, while total fund balance represents 12.60% of that same amount.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the budgets of the District funds are prepared to account for most transactions on a cash receipt/cash disbursement/encumbrance basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of 3.11%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The General Fund budget includes \$4M of state payments on behalf of District employees for retirement and health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District’s total revenues for General Fund activities for the fiscal year ended June 30, 2024, excluding interfund transfers and beginning balances, were \$13.1M compared to the total budgeted revenues of \$13.5M.
- The District’s total expenditures for General Fund activities for the fiscal year ended June 30, 2024, excluding interfund transfers, were \$13.3M compared to the total budgeted expenditures of \$14.7M.
- The fund balance at the end of the 2024 fiscal year for all Governmental Funds was \$10.4M compared to \$1.7M in the prior year.

Special Revenue Fund (Fund 2) is made up of local, state and federal grants. These grants include Title I, No Child Left Behind funding, Preschool, Special Education funding and others. These funds have restricted use, according to the guidelines for each. Expenditures include salaries and benefits, supplies and transportation.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The State contributes to Fund 310.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At June 30, 2024, the District had \$14.2M invested in capital assets net of depreciation: historical costs totaled \$31.7M with accumulated depreciation totaling \$17.5M. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Expenditures for acquisitions and improvements during the year totaled \$3.9M. Depreciation charged to expense during the year totaled \$731K, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 3 to the financial statements.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Following is a summary of capital assets, net of depreciation, as of June 30, 2024 and 2023:

Net Capital Assets

	Governmental Activities		Business-type Activities		District Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 302,738	\$ 302,738	\$ -	\$ -	\$ 302,738	\$ 302,738
Land improvements	42,586	28,584	-	-	42,586	28,584
Construction in progress	3,020,384	-	-	-	3,020,384	-
Buildings and improvements	9,373,232	9,861,943	889	1,064	9,374,121	9,863,007
Technology equipment	4,306	9,471	1	1	4,307	9,472
Furniture, fixtures & equipment	1,227,407	721,239	-	-	1,227,407	721,239
Vehicles	86,354	7,202	-	-	86,354	7,202
Food service equipment	-	-	175,761	59,493	175,761	59,493
Total	\$ 14,057,007	\$ 10,931,177	\$ 176,651	\$ 60,558	\$ 14,233,658	\$ 10,991,735

Long-term Debt – The District’s long-term general obligation bonds outstanding at June 30, 2024 were \$14.8M. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay \$3.3M of the bonds leaving the District to pay \$11.5M.

The State must approve the issuance of any new bonds of the District.

More detailed information about the District’s long-term liabilities may be found in Note 4 to the financial statements.

OUTLOOK FOR THE FUTURE

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District’s major source of revenue is state aid, primarily Kentucky SEEK funding.

The District’s financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District’s Board management. The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation, effectively managing our grant resources, controlling expenditures and seeking new sources of revenues.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances, comply with finance-related laws and regulations and demonstrate the District’s commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Superintendent or District finance personnel at (270) 965-3525 or by mail at 601 West Elm Street, Marion, KY 42064.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,686,164	\$ 927,709	\$ 11,613,873
Accounts receivable			
Taxes	170,939	-	170,939
Other	5,338	100,726	106,064
Intergovernmental - indirect federal	1,937,672	-	1,937,672
Inventory	-	17,640	17,640
Capital assets			
Non-depreciable	3,323,122	-	3,323,122
Depreciable (net)	10,733,885	176,651	10,910,536
Total assets	26,857,120	1,222,726	28,079,846
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	2,016,597	59,613	2,076,210
Pension related	1,084,529	166,159	1,250,688
Total deferred outflows of resources	3,101,126	225,772	3,326,898
LIABILITIES			
Current liabilities			
Accounts payable	761,911	43,337	805,248
Unearned revenue	1,652,358	-	1,652,358
Interest payable	77,980	-	77,980
Long-term obligations			
Portion due or payable within one year			
Bonds payable	450,000	-	450,000
Financed purchases	75,330	-	75,330
Notes payable	15,000	-	15,000
Portion due or payable after one year			
Bonds payable	14,552,027	-	14,552,027
Financed purchases	208,379	-	208,379
Notes payable	15,000	-	15,000
Compensated absences	201,900	2,765	204,665
Net OPEB liability	2,019,494	(24,517)	1,994,977
Net pension liability	3,968,528	587,193	4,555,721
Total liabilities	23,997,907	608,778	24,606,685

Continued
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**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION, continued
JUNE 30, 2024**

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
OPEB related	3,090,105	232,592	3,322,697
Pension related	874,114	129,482	1,003,596
Total deferred inflows of resources	3,964,219	362,074	4,326,293
NET POSITION			
Net investment in capital assets	7,375,807	176,651	7,552,458
Restricted	8,428,092	-	8,428,092
Unrestricted	(13,807,779)	300,995	(13,506,784)
Total net position	\$ 1,996,120	\$ 477,646	\$ 2,473,766

See accompanying notes to financial statements

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

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction	\$ 10,086,684	\$ -	\$ 5,932,712	\$ -	\$ (4,153,972)	\$ -	\$ (4,153,972)
Support services							
Student	1,097,293	-	448,922	-	(648,371)	-	(648,371)
Instructional staff	1,102,791	-	769,669	-	(333,122)	-	(333,122)
District administration	666,750	-	205,304	-	(461,446)	-	(461,446)
School administration	1,147,759	-	342,243	-	(805,516)	-	(805,516)
Business	383,573	-	53,524	-	(330,049)	-	(330,049)
Plant operations and maintenance	1,436,693	-	149,288	-	(1,287,405)	-	(1,287,405)
Student transportation	776,547	-	167,204	-	(609,343)	-	(609,343)
Building acquisition and construction	322,174	-	-	-	(322,174)	-	(322,174)
Community service activities	137,769	-	118,053	-	(19,716)	-	(19,716)
Food service	2,547	-	-	-	(2,547)	-	(2,547)
Other non-instructional	21,394	-	-	-	(21,394)	-	(21,394)
Interest on long-term debt	498,883	-	-	296,708	(202,175)	-	(202,175)
Total governmental activities	<u>17,680,857</u>	<u>-</u>	<u>8,186,919</u>	<u>296,708</u>	<u>(9,197,230)</u>	<u>-</u>	<u>(9,197,230)</u>
Business-type Activities							
Food service	<u>1,080,678</u>	<u>93,130</u>	<u>1,152,324</u>	<u>-</u>	<u>-</u>	<u>164,776</u>	<u>164,776</u>
Total business-type activities	<u>1,080,678</u>	<u>93,130</u>	<u>1,152,324</u>	<u>-</u>	<u>-</u>	<u>164,776</u>	<u>164,776</u>
Total activities	<u>\$ 18,761,535</u>	<u>\$ 93,130</u>	<u>\$ 9,339,243</u>	<u>\$ 296,708</u>	<u>(9,197,230)</u>	<u>164,776</u>	<u>(9,032,454)</u>

Continued

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Net Revenues (Expenses)	<u>(9,197,230)</u>	<u>164,776</u>	<u>(9,032,454)</u>
General Revenues			
Taxes			
Property	2,444,073	-	2,444,073
Motor vehicle	473,223	-	473,223
Utilities	506,366	-	506,366
Other	1,034	-	1,034
Investment earnings	373,923	31,219	405,142
State aid	6,647,691	90,619	6,738,310
Gain (loss) on sale of fixed assets	272,466	-	272,466
Miscellaneous	448,158	-	448,158
	<u>11,166,934</u>	<u>121,838</u>	<u>11,288,772</u>
Total general revenues			
Change in net position	1,969,704	286,614	2,256,318
Net position, beginning of year	<u>26,416</u>	<u>191,032</u>	<u>217,448</u>
Net position, end of year	<u>\$ 1,996,120</u>	<u>\$ 477,646</u>	<u>\$ 2,473,766</u>

See accompanying notes to financial statements

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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

	General	Special Revenue	Construction	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 1,249,324	\$ -	9,050,899	\$ 385,941	\$ 10,686,164
Accounts receivable					
Taxes	170,939	-	-	-	170,939
Other	5,338	-	-	-	5,338
Interfund receivables	274,306	-	-	-	274,306
Intergovernmental - indirect federal	-	1,937,672	-	-	1,937,672
Total assets	<u>\$ 1,699,907</u>	<u>\$ 1,937,672</u>	<u>\$ 9,050,899</u>	<u>\$ 385,941</u>	<u>\$ 13,074,419</u>

Continued

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

	<u>General</u>	<u>Special Revenue</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 20,601	\$ 11,008	\$ 730,072	\$ 230	\$ 761,911
Interfund payables	-	274,306	-	-	274,306
Unearned revenue	-	1,652,358	-	-	1,652,358
	<u>20,601</u>	<u>1,937,672</u>	<u>730,072</u>	<u>230</u>	<u>2,688,575</u>
Fund balances					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	85,000	-	8,320,827	22,265	8,428,092
Committed	86,389	-	-	-	86,389
Assigned	-	-	-	363,446	363,446
Unassigned	1,507,917	-	-	-	1,507,917
	<u>1,679,306</u>	<u>-</u>	<u>8,320,827</u>	<u>385,711</u>	<u>10,385,844</u>
Total liabilities					
and fund balances	<u>\$ 1,699,907</u>	<u>\$ 1,937,672</u>	<u>\$ 9,050,899</u>	<u>\$ 385,941</u>	<u>\$ 13,074,419</u>

See accompanying notes to financial statements

**CRITTENDEN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total fund balance per fund financial statements	\$ 10,385,844
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$31,424,463 and the accumulated depreciation is \$17,367,456.	14,057,007
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Pension and other postemployment benefits (OPEB) related items:

Deferred outflows - OPEB	2,016,597
Deferred outflows - pension	1,084,529
Deferred inflows - OPEB	(3,090,105)
Deferred inflows - pension	(874,114)
Net OPEB liability	(2,019,494)
Net pension liability	(3,968,528)

Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

Bond obligations	(15,002,027)
Financed purchases	(283,709)
Notes payable	(30,000)
Interest payable on bonds	(77,980)
Compensated absences	(201,900)

Net position for governmental activities	\$ 1,996,120
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See accompanying notes to financial statements

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Special Revenue</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
REVENUES					
From local sources					
Taxes					
Property	\$ 2,158,012	\$ -	\$ -	\$ 286,061	\$ 2,444,073
Motor vehicle	473,223	-	-	-	473,223
Utilities	506,366	-	-	-	506,366
Other	1,034	-	-	-	1,034
Earnings on investments	59,233	-	303,775	10,915	373,923
Other local revenues	94,975	5,129	-	374,857	474,961
Intergovernmental - state	9,746,712	650,391	-	764,256	11,161,359
Intergovernmental - federal	42,470	3,927,489	-	-	3,969,959
	<u>13,082,025</u>	<u>4,583,009</u>	<u>303,775</u>	<u>1,436,089</u>	<u>19,404,898</u>
Total revenues					
EXPENDITURES					
Current					
Instruction	6,859,033	3,433,761	-	306,051	10,598,845
Support services					
Student	804,113	285,076	-	44	1,089,233
Instructional staff	412,315	675,760	-	14,716	1,102,791
District administration	788,563	14,041	-	-	802,604
School administration	1,146,900	-	-	-	1,146,900
Business	356,352	27,221	-	-	383,573
Plant operations and maintenance	1,548,103	34,032	-	-	1,582,135
Student transportation	1,235,609	24,154	-	13,489	1,273,252
Community service activities	18,811	118,958	-	-	137,769
Other non-instruction	17,299	-	-	4,095	21,394
Achitectural and engineering	-	-	2,786,626	-	2,786,626
Building improvements	-	-	322,174	-	322,174
Food service	2,547	-	-	-	2,547
Debt service	144,772	-	-	846,590	991,362
	<u>13,334,417</u>	<u>4,613,003</u>	<u>3,108,800</u>	<u>1,184,985</u>	<u>22,241,205</u>
Total expenditures					

Continued

CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, continued
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Excess (deficit) of revenues over (under) expenditures	(252,392)	(29,994)	(2,805,025)	251,104	(2,836,307)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	11,015,000	-	11,015,000
Bond premium	-	-	206,069	-	206,069
Proceeds from disposal of fixed assets	272,466	-	-	-	272,466
Transfers in	439,018	29,994	-	549,882	1,018,894
Transfers (out)	(29,994)	-	(235,291)	(753,609)	(1,018,894)
Total other financing sources (uses)	681,490	29,994	10,985,778	(203,727)	11,493,535
Net changes in fund balances	429,098	-	8,180,753	47,377	8,657,228
Fund balances, beginning of year	1,250,208	-	140,074	338,334	1,728,616
Fund balances, end of year	<u>\$ 1,679,306</u>	<u>\$ -</u>	<u>\$ 8,320,827</u>	<u>\$ 385,711</u>	<u>\$ 10,385,844</u>

See accompanying notes to financial statements

**CRITTENDEN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balance - total governmental funds \$ 8,657,228

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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenses exceeded depreciation in the current period:

Capital outlay	3,842,843
Depreciation expense	(717,013)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position -

KISTA insurance reserve (26,803)

Bond proceeds are reported as other financing sources in governmental funds and contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of bond principal is an expenditure in the government funds financial statements but is a reduction of the liability in the statement of net position.

Bond proceeds, net	(11,221,069)
Bond payments	565,000
Lease payments	134,316
Note payments	15,000

Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities are:

Deferred other postemployment benefits amounts	559,053
Deferred pension amounts	230,164
Amortization of bond premium	6,534
Accumulated sick leave	(3,028)
Accrued interest on bonds	(72,521)
	(72,521)

Change in net position of governmental activities \$ 1,969,704

See accompanying notes to financial statements

PROPRIETARY FUNDS FINANCIAL STATEMENTS

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

	School Food Service
ASSETS	
Current assets	
Cash	\$ 927,709
Inventory	17,640
Accounts receivable	100,726
Total current assets	1,046,075
Noncurrent assets	
Capital assets	331,734
Less: accumulated depreciation	(155,083)
Total noncurrent assets	176,651
Total assets	1,222,726
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	59,613
Pension related	166,159
Total deferred outflows of resources	225,772

Continued

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

	School Food Service
LIABILITIES	
Current liabilities	
Accounts payable	43,337
Total current liabilities	43,337
Long-term liabilities	
Sick leave in process	2,765
Net OPEB liability	(24,517)
Net pension liability	587,193
Total long-term liabilities	565,441
Total liabilities	608,778
DEFERRED INFLOWS OF RESOURCES	
OPEB related	232,592
Pension related	129,482
Total deferred inflows of resources	362,074
NET POSITION	
Net investment in capital assets	176,651
Unrestricted	300,995
Total net position	\$ 477,646

See accompanying notes to financial statements

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

	School Food Service
OPERATING REVENUES	
Lunchroom sales	\$ 93,130
Total operating revenues	93,130
OPERATING EXPENSES	
Salaries and wages	449,824
Materials and supplies	562,605
Depreciation	14,426
Contract services	53,281
Miscellaneous	542
Total operating expenses	1,080,678
Operating income (loss)	(987,548)
NON-OPERATING REVENUES (EXPENSES)	
Federal grants	1,115,088
Donated commodities	30,515
State grants	19,266
State on-behalf payments	78,074
Interest income	31,219
Total non-operating revenues (expenses)	1,274,162
Change in net position	286,614
Net position, beginning of year	191,032
Net position, end of year	\$ 477,646

See accompanying notes to financial statements

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

	School Food Service
Cash flows from operating activities	
Cash received from	
User charges	\$ 84,249
Cash paid to/for	
Employees	(441,559)
Supplies	(513,318)
Contract services	(53,281)
Miscellaneous	(542)
	(924,451)
Net cash provided (used) by operating activities	(924,451)
Cash flows from noncapital financing activities	
Government grants	1,134,354
Net cash provided (used) by noncapital financing activities	1,134,354
Cash flows from investing activities	
Receipt of interest income	31,219
Net cash provided (used) by investing activities	(99,300)
Net increase (decrease) in cash and cash equivalents	110,603
Cash and cash equivalents, beginning of year	817,106
Cash and cash equivalents, end of year	\$ 927,709

Continued

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

	School Food Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (987,548)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	14,426
Donated commodities	30,515
State on-behalf payments	78,074
Changes in assets and liabilities	
Accounts receivable	(8,881)
Inventory	17,213
OPEB	(31,607)
Deferred pension	(36,155)
Sick leave payable	(2,047)
Accounts payable	1,559
	<u>1,559</u>
Net cash provided (used) by operating activities	\$ (924,451)
Schedule of non-cash transactions	
Donated commodities received from Federal government	\$ 30,515
On-behalf payments	78,074

See accompanying notes to financial statements

FIDUCIARY FUNDS FINANCIAL STATEMENTS

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	Scholarship Private Purpose Funds
ASSETS	
Cash and cash equivalents	\$ 77,967
Total assets	\$ 77,967
LIABILITIES	
Accounts payable	\$ -
Total liabilities	-
NET POSITION	
Held in trust for private purpose	\$ 77,967

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Scholarship Private Purpose Trust Funds</u>
ADDITIONS	
Private donations	<u>\$ 58,550</u>
Total additions	<u>58,550</u>
DEDUCTIONS	
Investment expense	<u>379</u>
Total deductions	<u>379</u>
Change in net position	58,171
Net position, beginning of year	<u>19,796</u>
Net position, end of year	<u><u>\$ 77,967</u></u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Crittenden 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 education within the jurisdiction of the Crittenden 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 a component unit of any other governmental “reporting entity”. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District’s financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61, sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Based on the foregoing criteria, the financial statements of the Crittenden County School District Finance Corporation are included in the accompanying financial statements. In a prior year, the Board authorized the establishment of the Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board members of the Crittenden County Board of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

The *General Fund* is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid. This is a major fund of the District.

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

The *Special Revenue (Grant) 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.

The *Special Revenue District Activity Fund* includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements. Project accounting is employed to maintain integrity for the various sources of funds.

The *Special Revenue Student Activity Fund* accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The *Facility Support Program of Kentucky Fund (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.

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

Proprietary Fund Types

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District has the following enterprise fund:

The *School Food Service Fund* accounts for the food service operations of the District.

Fiduciary Fund Types

Fiduciary Funds account for assets held by the District in a trustee capacity (trust funds) or as an agent on behalf of others (agency funds).

- The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the governmental holds for others in an agency capacity. The District has no Agency funds.
- The *Private Purpose Trust Funds* are used to account for the Vince Clark Rocket Foundation Fund, formally the Crittenden County Rocket Foundation Fund. All resources of this fund may be used to award scholarships to offset college/career readiness costs for the District's high school students.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports a fiduciary fund which focuses on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Revenues – Exchange and Non-exchange Transactions

Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are 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 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 specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

The Significant Accounting Policies Followed by the District Include the Following:

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. Cash is restricted in the special revenue funds per grant and other agreements, in the capital projects funds per state requirements, in the debt service funds per debt agreements, and in the District Activity Fund and School Activity Fund per fund requirements.

State statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. Agencies, certain federal instruments, commercial banks' certificates of deposit, savings and loan deposits, repurchase agreements, and the Commonwealth of Kentucky Investment Pool.

Property Taxes Receivable

Property taxes in the governmental funds are accounted for using the modified accrual basis of accounting.

Property taxes collected are recorded as revenues in the fund for which they were levied. Property taxes are levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes become delinquent after December 31.

The property tax rates for the year ended June 30, 2024, to finance the General Fund operations were \$.516 per \$100 valuation for real property, \$.516 per \$100 valuation for business tangible personal property and \$.541 per \$100 valuation for motor vehicles.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The District levies a utility gross receipts license tax in the amount of 3.00% of the gross receipts derived from furnishing, within the District, telephonic and telegraphic communications services, cablevision services, electric power, water and natural, artificial and mixed gas.

Inventories

Inventories are valued at cost, which approximates market. The Food Service Fund uses the specific identification method, and the General Fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

Prepaid Expenditures

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

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental 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 does not possess any infrastructure. The District maintains a capitalization threshold of \$5,000 with the exception of real property for which there is no threshold. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Unearned Revenue

Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

Debt Premium and Discounts

Unamortized premiums and discounts associated with bond issues are amortized over the lives of the related bonds using the straight-line method and are an addition (premium) or deduction (discount) to the debt balances in the government-wide statements.

Compensated Absences

The District allows employees to accumulate and carry over sick days from year to year. The maximum number of days which may be earned per year vary from seven to ten days depending upon employment terms. A maximum of two personal days may be added to the sick days carryover each year. The accumulated amount of days that may be carried over from year to year is unlimited. Upon retirement from the school system, employees will receive thirty percent (30%) of the value of accumulated sick leave. Separation of employment for any reason other than retirement results in the employee forfeiting all accumulated sick and personal days. 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. It is deemed probable that benefits will be paid to certified employees with twenty or more years of experience and classified employees with ten or more years of experience.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Leases

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

Pensions and Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 10 and the net OPEB liability described in Note 11.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability as described in Note 10 and the net OPEB liability described in Note 11.

Cash Flows

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

In the fund financial statements, governmental fund balances are classified as follows:

Non-spendable – Amounts which cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Education intends to use for specific purposes. The authority to assign fund balances has been designated by the District's Board of Education to the Finance Officer.

Unassigned – All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

Net Position

In proprietary funds, fiduciary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

Estimates

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

Subsequent Events

Subsequent events have been evaluated through December 4, 2024, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. The District's cash deposits are covered by the Federal Depository Insurance Corporation up to \$250,000 per financial institution, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. At June 30, 2024, the District's bank balance of \$12,595,832 was fully collateralized.

At June 30, 2024, the carrying amount of the District's cash and cash equivalents was \$11,691,840.

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

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

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

Reconciliation to Government-wide Statement of Net Position:	
Unrestricted cash	\$ 11,613,873
Private purpose trust funds cash (not included in government-wide statement)	<u>77,967</u>
	<u>\$ 11,691,840</u>

These amounts are reported in the financial statements as follows:

Governmental activities	\$ 10,686,164
Business-type activities	927,709
Private purpose trust funds	<u>77,967</u>
	<u>\$ 11,691,840</u>

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

NOTE 3 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets not depreciated				
Land	\$ 302,738	\$ -	\$ -	\$ 302,738
Construction in progress	-	3,020,384	-	3,020,384
Total non-depreciable historical cost	<u>302,738</u>	<u>3,020,384</u>	<u>-</u>	<u>3,323,122</u>
Capital assets depreciated				
Land improvements	36,692	14,557	-	51,249
Buildings and improvements	21,591,533	-	-	21,591,533
Technology equipment	1,838,156	-	-	1,838,156
General equipment	732,765	107,217	-	839,982
Vehicles	3,158,638	700,685	78,902	3,780,421
Total depreciable historical cost	<u>27,357,784</u>	<u>822,459</u>	<u>78,902</u>	<u>28,101,341</u>
Less: accumulated depreciation				
Land improvements	8,108	555	-	8,663
Buildings and improvements	11,729,590	488,711	-	12,218,301
Technology equipment	1,828,685	5,165	-	1,833,850
General equipment	725,563	28,065	-	753,628
Vehicles	2,437,399	194,517	78,902	2,553,014
Total accumulated depreciation	<u>16,729,345</u>	<u>717,013</u>	<u>78,902</u>	<u>17,367,456</u>
Total depreciable historical cost - net	<u>10,628,439</u>	<u>105,446</u>	<u>-</u>	<u>10,733,885</u>
Governmental activities capital assets - net	<u>\$ 10,931,177</u>	<u>\$ 3,125,830</u>	<u>\$ -</u>	<u>\$ 14,057,007</u>

Construction in progress of \$3,020,384 is for the middle school renovations.

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

NOTE 3 – CAPITAL ASSETS, continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Instruction	\$ 387,779
Support services	
Student	8,060
District administration	13,462
School administration	859
Plant operation and maintenance	102,873
Student transportation	203,980
Community service	-
Total depreciation expense	\$ 717,013

Business-type Activities	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets depreciated				
Buildings and improvements	\$ 4,373	\$ -	\$ -	\$ 4,373
Technology equipment	9,523	-	-	9,523
Vehicles	3,635	-	-	3,635
Food service equipment	195,134	130,519	11,450	314,203
Total depreciable historical cost	212,665	130,519	11,450	331,734
Less: accumulated depreciation				
Building and improvements	3,309	175	-	3,484
Technology equipment	9,522	-	-	9,522
Vehicles	3,635	-	-	3,635
Food service equipment	135,641	14,251	11,450	138,442
Total accumulated depreciation	152,107	14,426	11,450	155,083
Business-type activities capital assets - net	\$ 60,558	\$ 116,093	\$ -	\$ 176,651

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

NOTE 4 – LONG-TERM OBLIGATIONS

The District issues bonds to provide funds for the acquisition and construction of major capital facilities and improvements. The original amount of the issue, the dates and interest rates are summarized below:

<u>Issue</u>	<u>Proceeds</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>
2013	\$ 2,165,000	1.25% - 3.60%	2033
2020	1,210,000	.80% - 1.60%	2031
2022	1,385,000	1.00% - 3.00%	2042
2023	11,015,000	4.00% - 5.00%	2053

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

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

November 1, 2023, the District issued School Building Revenue Bonds, Series of 2023 in the amount of \$11,015,000 to finance renovations and additions to Crittenden County Middle School.

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

NOTE 4 – LONG-TERM OBLIGATIONS, continued

The bonds may be called prior to maturity, and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2024 for debt service (principal and interest) are as follows:

Year	Crittenden County School District		School Facilities Construction Commission		Total
	Principal	Interest	Principal	Interest	
2025	\$194,243	\$ 481,415	\$ 255,757	\$ 95,399	\$1,026,814
2026	198,498	474,062	261,502	89,651	1,023,713
2027	207,515	466,444	267,485	83,669	1,025,113
2028	216,266	458,569	273,734	77,419	1,025,988
2029	224,721	450,292	280,279	70,875	1,026,167
2030-2034	1,272,037	2,101,290	862,963	265,294	4,501,584
2035-2039	1,632,172	1,749,998	567,828	151,263	4,101,261
2040-2043	2,015,351	1,359,481	534,649	44,129	3,953,610
2044-2049	2,460,000	910,478	-	-	3,370,478
2050-2054	3,040,000	333,842	-	-	3,373,842
	<u>\$ 11,460,803</u>	<u>\$ 8,785,871</u>	<u>\$ 3,304,197</u>	<u>\$ 877,699</u>	<u>\$ 24,428,570</u>

Lease Obligations

The District has adopted GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the concept that leases are financings of the right to use an underlying asset. This standard requires recognition of lease assets and liabilities for leases with terms greater than 12 months.

The District has recognized a lease asset and a corresponding lease liability for each lease where it is the lessee. The lease assets represent the right to use an asset for a period of time, while the lease liabilities represent the obligation to make lease payments.

The District leases school buses pursuant to these types of leases and, as such, the cost is included with property and equipment. The related lease obligation reflects the present value of future lease payments less an interest amount implicit in the lease.

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

NOTE 4 – LONG-TERM OBLIGATIONS, continued

Kentucky Interlocal School Transportation Association (KISTA)

The Board has entered into the following lease agreements with the Kentucky Interlocal School Transportation Association (KISTA) for financing the acquisition of school buses. The KISTA lease payments are paid by the General Fund and reported as debt service. The depreciation of these leases is allocated to the student transportation function.

<u>Series</u>	<u>Description</u>	<u>Lease Amount</u>	<u>Outstanding Balance</u>
2015	1 bus	\$ 99,882	\$ 9,264
2016	2 buses	205,147	37,345
2017	1 bus	100,588	29,455
2018	1 bus	97,148	38,483
2019	1 bus	103,626	50,724
2021	1 bus	105,029	71,461
2022	1 bus	60,671	46,977

The following is an analysis of leased property by class:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Vehicles (13 buses)	\$ 1,291,262	\$ 798,825

Future minimum payments under the long-term lease obligations, together with the present value of the net minimum lease payments as of June 30, 2024 are as follows:

<u>Year Ended</u>	<u>Total Lease Payments</u>
2025	\$ 82,306
2026	71,169
2027	49,779
2028	36,800
2029	27,517
2030-2032	<u>36,568</u>
Total minimum lease payments	304,139
Lease amount representing interest	<u>(20,430)</u>
Present value of net minimum lease payments	<u>\$ 283,709</u>

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

NOTE 4 – LONG-TERM OBLIGATIONS, continued

Changes in long-term debt for the year ended June 30, 2024 are:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities					
Bonds payable					
General obligation debt	\$ 4,315,000	\$ 11,015,000	\$ 565,000	\$ 14,765,000	\$ 450,000
Premiums (discounts)	37,492	206,069	6,534	237,027	-
Total bonds payable	<u>4,352,492</u>	<u>11,221,069</u>	<u>571,534</u>	<u>15,002,027</u>	<u>450,000</u>
Other liabilities					
Financed purchases	418,025	-	134,316	283,709	75,330
Compensated absences	198,872	3,324	296	201,900	-
Note payable - EDC	45,000	-	15,000	30,000	15,000
Net OPEB liability	4,206,684	-	2,187,190	2,019,494	-
Net pension liability	4,477,085	-	508,557	3,968,528	-
Total other liabilities	<u>9,345,666</u>	<u>3,324</u>	<u>2,845,359</u>	<u>6,503,631</u>	<u>90,330</u>
Total long-term liabilities	<u>\$ 13,698,158</u>	<u>\$ 11,224,393</u>	<u>\$ 3,416,893</u>	<u>\$ 21,505,658</u>	<u>\$ 540,330</u>
Business-type activities					
Other liabilities					
Compensated absences	\$ 4,812	\$ -	\$ 2,047	\$ 2,765	\$ -
Net OPEB liability	179,412	-	203,929	(24,517)	-
Net pension liability	667,081	-	79,888	587,193	-
Total other liabilities	<u>\$ 851,305</u>	<u>\$ -</u>	<u>\$ 285,864</u>	<u>\$ 565,441</u>	<u>\$ -</u>

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

NOTE 5 – COMPENSATED ABSENCES

Upon retirement from the school system, employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year’s economic financial resources. These amounts are recorded in the account “accrued sick leave payable” in the General Fund. Management has estimated that the amount for governmental activities will be approximately \$201,900, with \$0 considered the short-term portion and \$201,900 considered the long-term portion. Management has estimated that the amount for business-type activities will be approximately \$2,765, with \$0 considered the short-term portion and \$2,765 considered the long-term portion.

NOTE 6 – FUND BALANCE REPORTING

The following is a summary of designations of Fund Balance at June 30, 2024:

	<u>General</u>	<u>Special Revenue</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Restricted					
Construction	\$ -	\$ -	\$ 8,320,827	\$ -	\$ 8,320,827
Sick leave	85,000	-	-	-	85,000
SFCC escrow	-	-	-	22,265	22,265
Student activity	-	-	-	344,765	344,765
Committed					
Site base carryforward	86,389	-	-	-	86,389
Assigned					
District activity	-	-	-	18,681	18,681
Unassigned	<u>1,507,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,507,917</u>
	<u>\$ 1,679,306</u>	<u>\$ -</u>	<u>\$ 8,320,827</u>	<u>\$ 385,711</u>	<u>\$ 10,385,844</u>

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

NOTE 7 – TRANSFER OF FUNDS

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
Construction Fund	General Fund	Capital Funds	\$ 235,291
Building Fund	General Fund	Capital Funds	79,778
Building Fund	Debt Service	Debt Service	549,882
Capital Outlay	General Fund	Capital Funds	123,949
General Fund	Special Revenue	KETS Match	24,994
General Fund	Special Revenue	Community ED Grant Match	5,000
			<u>\$ 1,018,894</u>

NOTE 8 – DEFICIT OPERATING FUND BALANCES/EXCESS APPROPRIATIONS

There are no funds of the District that currently have a deficit fund balance.

NOTE 9 – ON-BEHALF PAYMENTS

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2024:

Health insurance	\$ 1,867,544
Life insurance	2,460
Administrative fee	19,572
Health reimbursement account - HRS/dental/vision	97,893
	<u>1,987,469</u>
Federal reimbursements of health benefits	(202,941)
	<u>1,784,528</u>
KTRS pension and OPEB	1,835,174
Technology	67,413
Debt service	296,708
	<u>\$ 3,983,823</u>

The District is not legally responsible for these contributions. These payments are not required to be budgeted by the District. The total of these payments has been included in revenues and the applicable expenditure functions in these financial statements as follows:

Governmental activities	
General Fund	\$ 3,609,041
Debt Service Fund	296,708
Business-type activities	
Food Service Fund	78,074
	<u>\$ 3,983,823</u>

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

NOTE 10 – PENSION PLANS

The District’s employees are provided with two pension plans based on each position’s college degree requirement. The County Employees Retirement System Non-Hazardous (CERS) covers employees whose position does not require a college degree or teaching certification. The Teachers’ Retirement System (TRS) covers positions requiring teaching certification or otherwise requiring a college degree.

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

Plan description – Full-time employees whose positions do not require a degree beyond a high school diploma are covered by CERS, a cost-sharing, multiple-employer defined benefit plan administered by the Board of Trustees of the Kentucky Public Pensions Authority (KPPA). The CERS financial statements and other supplementary information are contained in the publicly available annual financial report of the KPPA. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided – CERS provides retirement, death and disability benefits to Plan employees and beneficiaries. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement Required contributions	Before September 1, 2008 27 years’ service or 65 years old At least 5 years’ service and 55 years old At least 25 years’ service and any age 5.00%
Tier 2	Participation date Unreduced retirement Reduced retirement Required contributions	September 1, 2008 – December 31, 2013 At least 5 years’ service and 65 years old or age 57+ and sum of service years plus age equal 87 At least 10 years’ service and 60 years old 5.00% + 1.00% for insurance
Tier 3	Participation date Unreduced retirement Reduced retirement Required contributions	After December 31, 2013 At least 5 years’ service and 65 years old or age 57+ and sum of service years plus age equal 87 Not available 5.00% + 1.00% for insurance

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

NOTE 10 – PENSION PLANS, continued

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions – Per Kentucky Revised Statute 61.565, normal contribution and past service contribution rates shall be determined by the Board of Trustees of the Kentucky Public Pensions Authority on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. For the year ended June 30, 2024, plan members were required to contribute 5% of their annual creditable compensation. Plan members hired subsequent to September 1, 2008 were required to contribute 6% of their annual creditable compensation. The District is required to contribute at an actuarial determined rate. For the fiscal year ended June 30, 2024, participating employers contributed 23.34% of each employee's creditable compensation.

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

At June 30, 2024, the District reported a liability of \$4,555,721 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on the employees and former employees relative to the total liability of the System as determined by the actuary. For the measurement period June 30, 2023, the District's proportion was 0.07100%.

Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense, they are labeled deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

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

NOTE 10 – PENSION PLANS, continued

For the measurement period ended June 30, 2023, the District recognized pension expense of \$251,653. 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	\$ 235,841	\$ 12,379
Change of assumptions	-	417,535
Net differences between projected and actual earnings on pension plan investments	492,147	554,289
Changes in proportion and difference between District contributions and proportionate share of contributions	-	19,393
District contributions subsequent to the measurement date	522,700	-
Total	<u>\$ 1,250,688</u>	<u>\$ 1,003,596</u>

For the year ended June 30, 2024, \$522,700 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Years Ending June 30	
2024	\$ (155,199)
2025	(178,008)
2026	101,702
2027	(44,103)
Thereafter	-
Total	<u>\$ (275,608)</u>

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

NOTE 10 – PENSION PLANS, continued

Actuarial assumptions – For financial reporting, the actuarial valuation as of June 30, 2023 was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability and sensitivity information as of June 30, 2023 were based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled forward from the valuation date to the plan’s fiscal year ending June 30, 2023, using generally accepted actuarial principles.

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and included 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, 2025. 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 non-hazardous position. GRS 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, GRS 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 is determined using these updated benefits provisions.

Based on the June 30, 2023 actuarial valuation report, the actuarial methods and assumptions used to calculate the required contributions are below.

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

NOTE 10 – PENSION PLANS, continued

Determined by the Actuarial Valuation as of:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method:	Level percent of pay
Amortization Period:	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate:	2.00%
Investment Return:	6.25%
Inflation:	2.30%
Salary Increases:	3.30% to 10.30%, varies by service
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.

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

NOTE 10 – PENSION PLANS, continued

Long-term rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Bonds	10.00%	2.45%
Specialty Credit/High Yield	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Term Inflation Assumption	100%	5.75%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

Discount rate – The single discount rate used to measure the total pension liability for the fiscal plan year ending June 30, 2023 was 6.50% for nonhazardous and hazardous employees. The projection of cash flows used to determine the single discount rate for each plan must include an assumption regarding actual employer contributions made each future year. Except where noted below, future contributions are projected assuming that each participating employer in each pension plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8 passed during the 2021 legislative session. The assumed future employee contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028. The discount rate determination does not use a municipal bond rate.

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

NOTE 10 – PENSION PLANS, continued

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate – The following table presents the District's proportionate share of the net pension liability, calculated using the discount rates selected by the pension system, 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 or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 5,751,873	\$ 4,555,721	\$ 3,561,674

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of CERS.

Payable to the pension plan – At June 30, 2024, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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

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

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

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

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

NOTE 10 – PENSION PLANS, continued

Participants who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to 2.00% (service prior to July 1, 1983) and 2.50% (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2.00% of their final average salary for each year of service if, upon retirement, their total service was less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.50% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.50% to 3.00% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

For participants hired on or after January 1, 2022, conditions for retirement are attainment of age fifty-seven (57) and ten (10) years of service or age sixty-five (65) and five (5) years of service. The annual foundational benefit for non-university participants is equal to service times a multiplier times final average salary. The multiplier ranges from 1.70% to 2.40% based on age and years of service.

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

The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the participant would have completed 30 years of service.

Final average salary is defined as the member’s five (5) highest salaries for those with less than 27 years of service. Members at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. KTRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled members.

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.

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

NOTE 10 – PENSION PLANS, continued

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). For members who began participating before January 1, 2022, non-university members are required to contribute 12.855% of their salaries to the System. For members employed by local school districts, the Commonwealth of Kentucky, as a non-employer contributing entity, contributes 13.105% of salaries for those who joined before July 1, 2008 and 14.105% for those who joined on or after July 1, 2008, and before January 1, 2022. For members who began participating on or after January 1, 2022, non-university members contribute 14.75% of their salaries to the system. Employers of non-university members, including the Commonwealth of Kentucky, as a non-employer contributing entity, contribute 10.75% of salaries. For local school district and regional cooperative members whose salaries are federally funded, the employer contributes 16.105% of salaries. If a member leaves covered employment before accumulating five (5) years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

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 TRS on behalf of the District.

District's proportionate share of the KTRS net pension liability	\$ -
State's proportionate share of KTRS net pension liability associated with the District	28,155,820
	\$ 28,155,820

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2022 to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. 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 System as determined by the actuary.

For the measurement period ended June 30, 2023, the District recognized pension expense of (\$3,739,797) and revenue of \$3,739,797 for support provided by the State in the government-wide financial statements.

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

Inflation rate	2.50%
Investment rate of return	7.10%, net of pension plan investment expense, including inflation
Projected salary increases	3.00% - 7.50%
Municipal bond index rate	3.66%
Single equivalent interest rate	7.10%
Post-Retirement Benefit Increases	1.50% annually

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

NOTE 10 – PENSION PLANS, continued

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, setbacks 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 TRS 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.

Long-term rate of return – The long-term expected rate of return on 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.70%	5.50%
Emerging Markets Equity	5.30%	6.10%
Fixed Income	15.00%	1.90%
High Yield Bonds	5.00%	3.80%
Other Additional Categories	5.00%	3.60%
Real Estate	7.00%	3.20%
Private Equity	7.00%	8.00%
Cash	2.00%	1.60%
 Total	 <u>100.00%</u>	

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

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of KTRS.

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

NOTE 10 – PENSION PLANS, continued

Defined Contribution Plans

The District makes available various 401(k) and 403(b) defined contribution pension plans for all regular full-time and part-time employees. These plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the plans up to the Internal Revenue Code maximum allowable amount. The District can but is not required to contribute to the plans. In addition, the District retains authority to amend or terminate these plans.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement that do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements. The District does not contribute to this plan.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

Plan description – The Kentucky Public Pensions Authority (KPPA) Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from KERS and CERS. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to the members of that plan and the administrative costs incurred by those receiving an insurance benefit.

Benefits provided – The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Post-Employment Benefits (OPEB) plan that covers substantially all regular full-time members employed in positions of each participating county, city and school board and any additional eligible local agencies electing to participate in the System. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

Implicit subsidy – KPPA pays fully insured premiums for the Kentucky Health Plan. The premiums are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Contributions – The Commonwealth is required to contribute at an actuarially determined rate for KERS. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3) and CERS 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS. For the year ended June 30, 2024, required contribution was 0% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2024 was \$0.

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

At June 30, 2024, the District reported a liability of (\$98,023) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2023, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. For the measurement period ended June 30, 2023, the District's proportion was 0.070997%

For the measurement period ended June 30, 2023, the District recognized OPEB expense of approximately (\$201,538).

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,337	\$ 1,391,832
Changes of assumptions	192,903	134,434
Net difference between projected and actual earnings on OPEB plan investments	183,447	206,196
Changes in proportion and differences between District contributions and proportionate share of contributions	-	24,235
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 444,687</u>	<u>\$ 1,756,697</u>

For the year ended June 30, 2024, \$0 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025.

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

<u>Years Ending June 30</u>	
2024	\$ (329,708)
2025	(402,947)
2026	(309,699)
2027	(269,656)
2028	-
Thereafter	<u>-</u>
Total	<u>\$ (1,312,010)</u>

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Actuarial assumptions – The total OPEB liability, net OPEB liability and sensitivity information in the June 30, 2023 actuarial valuation was based on an actuarial valuation date of June 30, 2022. The total OPEB liability was rolled-forward from the valuation date to the plan’s fiscal year ending June 30, 2022, using generally accepted actuarial principles. 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. GRS believes this provision of House Bill 506 will have an insignificant 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, GRS 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.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Determined by the Actuarial Valuation as of:	June 30, 2021
Actuarial Cost Method	Entry age normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method	Level percent of pay
Amortization Period	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Investment Rate of Return	6.25%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
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.
Healthcare Cost Trend Rates (Pre-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.
Healthcare Cost Trend Rates (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 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.

The actuarial assumption used in the June 30, 2023 valuation were based on the results of an actuarial experience study by Gabriel Roeder Smith (GRS) for a five year period ending June 30, 2022.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Long-term expected rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real 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 rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Bonds	10.00%	2.45%
Specialty Credit/High Yield	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Expected Term Inflation Assumption	100%	5.75%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

Discount rate – Single discount rates used to measure the total OPEB liability for the year ended June 30, 2023 was 5.93% for CERS Non-hazardous plans. 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 plans’ 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.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30 2028, for the CERS plans.

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

	1% Decrease	Current Discount Rate	1% Increase
	4.93%	5.93%	6.93%
District's proportionate share of net OPEB liability	\$ 183,952	\$ (98,023)	\$ (334,143)

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ (314,181)	\$ (98,023)	\$ 167,507

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority's Comprehensive Annual Financial Report on the KPPA website at www.kyret.ky.gov.

Payable to the OPEB plan – At June 30, 2024, the District reported a payable of \$0 for the outstanding amount of contributions to the CERS OPEB plan required for the year ended June 30, 2024.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

General Information about the Teachers' Retirement System of Kentucky (KTRS) OPEB Plan

Plan description – Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS)—a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 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, 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 postemployment 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, 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.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

At June 30, 2024, the District reported a liability of \$2,093,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the 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. For the measurement period ended June 30, 2023, the District’s proportion was 0.085919%.

The amounts 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 net OPEB liability	\$ 2,093,000
State's proportionate share of net OPEB liability associated with the District	<u>1,764,000</u>
Total	<u>\$ 3,857,000</u>

For measurement period ended June 30, 2023, the District recognized OPEB expense of (\$33,000) and revenue of \$26,000 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 709,000
Changes of assumptions	476,000	-
Net difference between projected and actual earnings on OPEB plan investments	39,000	-
Changes in proportion and difference between District contributions and proportionate share of contributions	765,000	857,000
District contributions subsequent to the measurement date	<u>351,523</u>	<u>-</u>
Total	<u>\$ 1,631,523</u>	<u>\$ 1,566,000</u>

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Of the total amount reported as deferred outflows of resources related to OPEB, \$351,523 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending 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:

Years Ending June 30	
2025	\$ (102,000)
2026	(86,000)
2027	40,000
2028	16,000
2029	(69,000)
Thereafter	<u>(85,000)</u>
Total	<u>\$ (286,000)</u>

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

Projected salary increases	3% - 7.50%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Long-term investment rate of return	
Net of OPEB plan investment expense, including inflation	
Health Trust	7.10%
Life Trust	7.10%
Municipal bond index rate	3.66%
Single Equivalent interest rate net of	
OPEB plan investment expense	
Health Trust	7.10%
Life Trust	7.10%
Health Trust Care Cost Trends	
Medical Trend	6.75% for FYE 2023 decreasing to an ultimate rate of 4.5% by FYE 2032
Medicare Part B Premiums	1.55% for FYE 2023 with an ultimate rate of 4.5% by FYE 2034

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, setbacks 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, 2022 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 TRS board on September 20, 2021.

The remaining actuarial assumptions 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 healthcare 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	9.00%	1.90%
High Yield Bonds	8.00%	3.80%
Other Additional Categories	9.00%	3.70%
Real Estate	6.50%	3.20%
Private Equity	8.50%	8.00%
Cash	1.00%	1.60%
Total	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan’s fiduciary net position was not projected to be depleted.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 2,692,000	\$ 2,093,000	\$ 1,598,000

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 1,507,000	\$ 2,093,000	\$ 2,823,000

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

Benefits provided – TRS provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$10,000 for its members who retire based on service or disability if hired on or after January 1, 2022. TRS provides a life insurance benefit of \$2,000 payable for its active contributing members if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$5,000 payable for its active contributing members if hired on or after January 1, 2022. 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.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

At June 30, 2024, the Kentucky School 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 net OPEB liability	\$	-
State's proportionate share of net OPEB liability associated with the District		<u>44,000</u>
Total	\$	<u>44,000</u>

For measurement period ended June 30, 2024, the District recognized OPEB expense of \$0 and revenue of \$0 for support provided by the State in the government-wide financial statements.

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

Investment rate of return	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 PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with various set-forwards, setbacks 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, 2022 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2022, 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.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	40.00%	5.20%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	21.00%	1.90%
Other additional categories	5.00%	4.00%
Real Estate	7.00%	3.20%
Private Equity	5.00%	8.00%
Cash	2.00%	1.60%
Total	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF’s fiduciary net position was not projected to be depleted.

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

CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – CONTINGENCIES

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if, based on the grantor's review, the funds are considered not to have been used for the intended purpose, the grantor may request a refund of 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.

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

NOTE 13 – INSURANCE AND RELATED ACTIVITIES

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

NOTE 14 – RISK MANAGEMENT AND LITIGATION

The District is exposed to various risks of loss of assets associated with the risks related to torts; theft of, damage to and destruction of assets; fire, personal liability, vehicular accidents; errors and omissions; injuries to employees; fiduciary responsibility; and natural disaster. Each of these risk areas are covered through the purchase of commercial insurance.

The District purchases unemployment insurance through the Kentucky School Boards' Association; however, risk has not been transferred. 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.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial statements

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

NOTE 15 – COBRA

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

The District has notified all terminated employees of available continuing insurance coverage as mandated by COBRA.

NOTE 16 – INTERFUND RECEIVABLES AND PAYABLES

The General Fund extends short-term cash flow loans to funds outside the General Fund that receive funding on a reimbursement basis. Repayment is expected when available cash is in excess of that needed for operations. Interfund receivable and payable is between the General Fund and Special Revenue Fund in the amount of \$274,306.

NOTE 17 – VINCE CLARK ROCKET FOUNDATION FUND

The District has a nonprofit fund, Vince Clark Rocket Foundation Fund, (previously the Crittenden County Rocket Foundation Fund), with the Community Foundation of West Kentucky. The purpose of the fund is to provide scholarships and provide expanded college and career opportunities to current and future Rocket graduates. A scholarship committee is responsible for selecting scholarship recipients. As of June 30, 2024, the fund had a balance of \$19,796 and is reported as a fiduciary fund – Scholarship Private Purpose Fund.

In February 2022, Crittenden County Tomorrow, Inc., a 501(c)(3) organization, pledged \$150,000 to the Foundation Fund. Subsequently, on March 8, 2022, the Board entered into an Agency Endowment Fund Agreement with the Community Foundation of West Kentucky. An irrevocable initial investment of \$192,000 was contributed to the Community Foundation of West Kentucky (Vince Clark Rocket Foundation Endowment Fund). The Board of Directors of the Community Foundation of West Kentucky have absolute authority and ownership of the assets of the endowment fund.

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

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS

Implemented

In June 2022, the GASB issued statement No. 100, *Accounting Changes and Error Corrections*. This statement improves the accounting and financial reporting requirements for accounting changes and error corrections to enhance the relevance and comparability of financial information. The requirements of this Statement are effective for fiscal years after June 15, 2023. Adoption of this statement did not have a significant impact on the District's financial position or results of operations.

Recent pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance of compensated absences. This Statement requires that liability for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Management has not yet considered the impacts of this statement.

REQUIRED SUPPLEMENTARY INFORMATION

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
From local sources				
Taxes				
Property	\$ 2,170,748	\$ 2,172,748	\$ 2,158,012	\$ (14,736)
Motor vehicle	450,000	450,000	473,223	23,223
Utilities	425,000	425,000	506,366	81,366
Other	2,400	2,400	1,034	(1,366)
Earnings on investments	20,000	20,000	59,233	39,233
Other local revenues	54,150	52,150	94,975	42,825
Intergovernmental - state	10,303,368	10,317,368	9,746,712	(570,656)
Intergovernmental - federal	15,000	15,000	42,470	27,470
Total revenues	13,440,666	13,454,666	13,082,025	(372,641)
EXPENDITURES				
Current				
Instruction	7,510,332	7,538,770	6,859,033	679,737
Support services				
Student	870,930	870,846	804,113	66,733
Instructional staff	515,052	514,259	412,315	101,944
District administration	729,976	729,976	788,563	(58,587)
School administration	1,077,753	1,067,391	1,146,900	(79,509)
Business	384,291	384,291	356,352	27,939
Plant operations and maintenance	1,419,454	1,891,235	1,548,103	343,132
Student transportation	1,130,272	1,130,272	1,235,609	(105,337)
Community service activities	-	-	18,811	(18,811)
Other non-instruction	13,650	13,650	17,299	(3,649)
Food service	2,646	2,646	2,547	99
Contingency	442,245	442,244	-	442,244
Debt service	144,771	165,594	144,772	20,822
Total expenditures	14,241,372	14,751,174	13,334,417	1,416,757
Excess (deficit) of revenues over (under) expenditures	(800,706)	(1,296,508)	(252,392)	1,044,116
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of fixed assets	-	265,275	272,466	7,191
Transfers in	-	203,727	439,018	235,291
Transfers (out)	(34,000)	(34,000)	(29,994)	4,006
Total other financing sources (uses)	(34,000)	435,002	681,490	246,488
Net change in fund balance	(834,706)	(861,506)	429,098	1,290,604
Fund balance, beginning of year	834,706	985,455	1,250,208	264,753
Fund balance, end of year	\$ -	\$ 123,949	\$ 1,679,306	\$ 1,555,357

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
From local sources				
Other local revenues	\$ -	\$ 2,525	\$ 5,129	\$ 2,604
Intergovernmental - state	697,268	704,786	650,391	(54,395)
Intergovernmental - federal	1,293,118	1,487,166	3,927,489	2,440,323
Total revenues	<u>1,990,386</u>	<u>2,194,477</u>	<u>4,583,009</u>	<u>2,388,532</u>
EXPENDITURES				
Current				
Instruction	1,402,979	1,388,887	3,433,761	(2,044,874)
Support services				
Student	127,197	127,197	285,076	(157,879)
Instructional staff	245,502	324,737	675,760	(351,023)
Business	94,893	219,271	27,221	192,050
Student transportation	26,154	24,154	24,154	-
District admin support	1,381	11,469	14,041	(2,572)
Plant operations and maintenance	31,780	37,364	34,032	3,332
Community services	94,500	95,413	118,958	(23,545)
Total expenditures	<u>2,024,386</u>	<u>2,228,492</u>	<u>4,613,003</u>	<u>(2,384,511)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(34,000)</u>	<u>(34,015)</u>	<u>(29,994)</u>	<u>4,021</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,000	34,000	29,994	(4,006)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>34,000</u>	<u>34,000</u>	<u>29,994</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>(15)</u>	<u>-</u>	<u>15</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ (15)</u>	<u>\$ -</u>	<u>\$ 15</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
From local sources				
Earnings on investments	\$ -	\$ -	\$ 303,775	\$ 303,775
Total revenues	-	-	303,775	303,775
EXPENDITURES				
Current				
Architectural/Engineering	-	10,921,160	2,786,626	8,134,534
Building improvements	-	-	322,174	(322,174)
Total expenditures	-	10,921,160	3,108,800	7,812,360
Excess (deficit) of revenues over (under) expenditures	-	(10,921,160)	(2,805,025)	8,116,135
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	10,898,895	11,015,000	116,105
Bond premium	-	-	206,069	206,069
Transfers (out)	-	-	(235,291)	(235,291)
Transfers in	-	22,265	-	(22,265)
Total other financing sources (uses)	-	10,921,160	10,985,778	64,618
Net change in fund balance	-	-	8,180,753	8,180,753
Fund balance, beginning of the year	-	-	140,074	140,074
Fund balance, end of the year	\$ -	\$ -	\$ 8,320,827	\$ 8,320,827

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET AND ACTUAL
JUNE 30, 2024**

NOTE 1 – BUDGETARY INFORMATION

Budgetary Process

Budgetary Basis of Accounting: Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

As required by KRS 160.470, on or before January 31 of each year, the District commences budget preparation for the following fiscal year. Before May 30, a tentative working budget is presented to the Kentucky Department of Education. A final working budget must be prepared and adopted no later than September 30. The budget is periodically amended and adopted by the Board of Education during the fiscal year with a final budget adopted by the Board prior to June 30.

The appropriated budget is prepared by fund unit, function, program, level object and project. The legal level of budgetary control is the fund level.

The General Fund FY24 budget includes \$3,983,823 of state payments on behalf of District employees for retirement and health benefits, technology and debt service.

Reconciliation between the Budgetary Basis of Accounting and GAAP

There were no material variances between the GAAP prescribed basis of accounting for governmental funds and the budgetary basis used by the District.

Expenditures Exceeding Appropriations

Expenditures exceed appropriations in the Special Revenue Fund by \$2,384,511. These over-expenditures were funded by greater than anticipated revenues in that fund.

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of net pension liability	0.071000%	0.071160%	0.071546%	0.071812%	0.072288%
District's proportionate share of net pension liability	\$ 4,555,721	\$5,144,166	\$4,561,619	\$5,507,921	\$5,085,130
District's covered-employee payroll	\$ 2,081,158	\$1,978,725	\$1,843,441	\$1,845,463	\$1,832,035
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	218.90%	259.97%	247.45%	298.46%	277.57%
Plan fiduciary net position as a percentage of total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%
 <u>As of June 30</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
District's proportion of net pension liability	0.072649%	0.072828%	0.074500%	0.070500%	0.070300%
District's proportionate share of net pension liability	\$ 4,424,546	\$4,262,847	\$3,665,668	\$3,029,930	\$2,281,000
District's covered-employee payroll	\$ 1,800,131	\$1,772,439	\$1,780,451	\$1,643,773	\$1,643,773
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	245.79%	240.51%	205.88%	184.33%	138.77%
Plan fiduciary net position as a percentage of total pension liability	53.54%	53.30%	55.50%	59.97%	66.80%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

<u>For the year ended June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 522,700	\$ 486,991	\$ 418,701	\$ 355,627	\$ 295,820
Contributions in relation to the contractually required contribution	<u>522,700</u>	<u>486,991</u>	<u>418,701</u>	<u>355,627</u>	<u>295,820</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,239,504	\$ 2,081,158	\$ 1,978,725	\$ 1,843,441	\$ 1,845,463
Contributions as a percentage of covered-employee payroll	23.34%	23.40%	21.17%	19.30%	19.30%
<u>For the year ended June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 297,256	\$ 260,659	\$ 247,243	\$ 221,126	\$ 209,581
Contributions in relation to the contractually required contribution	<u>297,256</u>	<u>260,659</u>	<u>247,243</u>	<u>221,126</u>	<u>209,581</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,832,035	\$ 1,800,131	\$ 1,772,439	\$ 1,780,451	\$ 1,643,773
Contributions as a percentage of covered-employee payroll	16.22%	14.48%	13.95%	12.42%	12.75%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

Changes in benefit terms

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

2023: No changes in benefit terms.
2022: No changes in benefit terms.
2021: No changes in benefit terms.
2020: No changes in benefit terms.
2019: No changes in benefit terms.
2018: No changes in benefit terms.
2017: No changes in benefit terms.
2016: No changes in benefit terms.
2015: No changes in benefit terms.

Changes in assumptions

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

2023: The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and included 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.

2022: No changes.

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)**

Changes in assumptions, continued

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

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

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

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

2015: No changes in assumptions.

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)**

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of net pension liability	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 28,155,820	\$ 28,341,879	\$ 21,161,029	\$ 23,222,090	\$ 21,747,189
District's covered-employee payroll	\$ 6,593,882	\$ 6,589,723	\$ 8,013,675	\$ 5,816,686	\$ 5,476,783
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	57.68%	56.41%	65.59%	58.27%	58.76%
<u>As of June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 21,494,044	\$ 43,221,229	\$ 47,426,143	\$ 38,622,185	\$ 33,560,471
District's covered-employee payroll	\$ 5,561,500	\$ 5,413,427	\$ 5,411,368	\$ 5,412,400	\$ 5,412,400
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	59.30%	39.83%	35.22%	42.49%	45.59%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)**

<u>For the year ended June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,274,259	\$ 6,593,882	\$ 6,589,723	\$ 8,013,675	\$ 5,816,686
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
<u>For the year ended June 30</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,476,783	\$ 5,561,500	\$ 5,413,427	\$ 5,411,368	\$ 5,412,400
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)**

Changes in benefit terms

2023: No changes in benefit terms.

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

Changes in assumptions

2023: No changes in assumptions.

2022: No changes in assumptions.

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the PUB2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set-forwards, setbacks and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) results in an assumption change from 7.50% to 7.10%.

2020: No changes in assumptions.

2019: No changes in assumptions.

2018: The calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumptions change from 4.49% to 7.50%

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

2016: In the 2016 valuation, rates of withdraw, 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 assumption change from 4.88% to 4.20%.

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
COUNTY EMPLOYEE RETIREMENT SYSTEM (CERS)**

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of collective net OPEB liability	0.070997%	0.071147%	0.071529%	0.071793%	0.072307%
District's proportionate share of collective net OPEB liability	\$ (98,023)	\$ 1,404,096	\$ 1,369,387	\$ 1,733,583	\$ 1,215,791
District's covered-employee payroll	\$ 2,081,158	\$ 1,978,725	\$ 1,843,411	\$ 1,845,463	\$ 1,832,035
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	-4.38%	70.96%	74.29%	93.94%	66.36%
Plan fiduciary net position as a percentage of total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%
<u>As of June 30</u>	<u>2019</u>	<u>2018</u>			
District's proportion of collective net OPEB liability	0.072647%	0.072828%			
District's proportionate share of collective net OPEB liability	\$ 1,289,833	\$ 1,464,092			
District's covered-employee payroll	\$ 1,800,131	\$ 1,800,131			
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	71.65%	81.33%			
Plan fiduciary net position as a percentage of total OPEB liability	57.62%	52.40%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
COUNTY EMPLOYEE RETIREMENT SYSTEM (CERS)**

<u>For the year ended June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required OPEB contribution	\$ -	\$ 70,551	\$ 114,317	\$ 87,838	\$ 104,176
Contributions in relation to the contractually required contribution	-	70,551	114,317	87,838	104,176
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,239,504	\$ 2,081,158	\$ 1,978,725	\$ 1,843,411	\$ 1,845,463
Contributions as a percentage of covered-employee payroll	0.00%	3.39%	5.78%	4.76%	5.64%
 <u>For the year ended June 30</u>	 <u>2019</u>	 <u>2018</u>			
Contractually required OPEB contribution	\$ 96,398	\$ 84,605			
Contributions in relation to the contractually required contribution	96,398	84,605			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered-employee payroll	\$ 1,832,035	\$ 1,800,131			
Contributions as a percentage of covered-employee payroll	5.26%	4.70%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
COUNTY EMPLOYEE RETIREMENT SYSTEM (CERS)**

Notes to Schedule

Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Changes in benefit terms

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms (other than the blended discount rate used to calculate the total OPEB liability).

Changes in assumptions

2023: 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. The total OPEB liability as of June 30, 2023, is determined using these updated assumptions.

2022: The initial healthcare trend rate for pre-65 was changed from 6.30% to 6.20%. The initial healthcare trend rate for post-65 was changed from 6.30% to 9.00%.

2021: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 12 of the financial statements. During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
COUNTY EMPLOYEE RETIREMENT SYSTEM (CERS)**

Changes in assumptions, continued

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

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND**

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of collective net OPEB liability	0.085919%	0.120136%	0.086100%	0.087187%	0.084333%
District's proportionate share of collective net OPEB liability	\$ 2,093,000	\$2,982,000	\$1,847,000	\$2,200,000	\$2,468,000
State's proportionate share of collective net OPEB liability	\$ 1,764,000	\$ 980,000	\$1,500,000	\$1,763,000	\$1,993,000
District's covered-employee payroll	\$ 5,470,880	\$5,313,533	\$6,013,675	\$5,816,686	\$5,476,783
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	31.74%	56.12%	30.71%	37.82%	45.06%
Plan fiduciary net position as a percentage of total OPEB liability	52.97%	47.75%	39.10%	39.05%	32.58%
 <u>As of June 30</u>	 <u>2019</u>	 <u>2018</u>			
District's proportion of collective net OPEB liability	0.084240%	0.084090%			
District's proportionate share of collective net OPEB liability	\$ 2,923,000	\$2,998,000			
State's proportionate share of collective net OPEB liability	\$ 2,519,000	\$2,449,000			
District's covered-employee payroll	\$ 5,561,500	\$5,561,500			
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	52.56%	53.91%			
Plan fiduciary net position as a percentage of total OPEB liability	25.50%	21.18%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND**

<u>For the year ended June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 351,523	\$ 163,670	\$ 159,406	\$ 152,821	\$ 146,847
Contributions in relation to the contractually required contribution	<u>351,523</u>	<u>163,670</u>	<u>159,406</u>	<u>152,821</u>	<u>146,847</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,274,259	\$ 5,470,880	\$ 5,313,533	\$ 6,013,675	\$ 5,816,686
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%
<u>For the year ended June 30</u>	<u>2019</u>	<u>2018</u>			
Contractually required contribution	\$ 150,063	\$ 166,845			
Contributions in relation to the contractually required contribution	<u>150,063</u>	<u>166,845</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered-employee payroll	\$ 5,476,783	\$ 5,561,500			
Contributions as a percentage of covered-employee payroll	3.00%	3.00%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND**

<u>As of June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of collective net OPEB liability	\$ 44,000	\$ 49,000	\$ 20,000	\$ 53,000	\$ 46,000
District's covered-employee payroll	\$ 5,470,880	\$5,313,533	\$6,013,675	\$5,816,686	\$5,476,783
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	76.91%	73.97%	89.15%	71.57%	73.40%
 <u>As of June 30</u>	 <u>2019</u>	 <u>2018</u>			
District's proportion of collective net OPEB liability	0.000000%	0.000000%			
District's proportionate share of collective net OPEB liability	\$ -	\$ -			
State's proportionate share of collective net OPEB liability	\$ 43,000	\$ 33,000			
District's covered-employee payroll	\$ 5,561,500	\$5,561,500			
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%			
Plan fiduciary net position as a percentage of total OPEB liability	75.00%	79.99%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND**

<u>For the year ended June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,274,259	\$5,470,880	\$5,313,533	\$6,013,675	\$5,816,686
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
 <u>For the year ended June 30</u>	 <u>2019</u>	 <u>2018</u>			
Contractually required contribution	\$ -	\$ -			
Contributions in relation to the contractually required contribution	-	-			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered-employee payroll	\$ 5,476,783	\$5,561,500			
Contributions as a percentage of covered-employee payroll	0.00%	0.00%			

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
KENTUCKY TEACHERS’ RETIREMENT SYSTEM (KTRS)**

Notes to Schedule

Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Medical Insurance Fund

Changes in benefit terms

2023: No changes in benefit terms.

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

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

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

Changes in assumptions

2023: The health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)**

Life Insurance Fund

Changes in benefit terms

2023: No changes in benefit terms.

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

Changes in assumptions

2023: The TRS 4 retirement decrements were updated to reflect future anticipated experience.

2022: None

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and salary increases were adjusted to reflect actual experience more closely. The assumed long-term investment rate of return was changed from 8.00% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

OTHER SUPPLEMENTARY INFORMATION

**CRITTENDEN COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	FSPK	Student Activity	SEEK Capital Outlay	Debt Service	District Activity	Total Nonmajor Governmental
ASSETS						
Cash and cash equivalents	\$ 22,265	\$ 344,765	\$ -	\$ -	\$ 18,911	\$ 385,941
Total assets and resources	<u>\$ 22,265</u>	<u>\$ 344,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,911</u>	<u>\$ 385,941</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ 230
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230</u>	<u>230</u>
Fund Balances						
Nonspendable	-	-	-	-	-	-
Spendable						
Restricted	22,265	-	-	-	-	22,265
Committed	-	-	-	-	-	-
Assigned	-	344,765	-	-	18,681	363,446
Unassigned	-	-	-	-	-	-
Total fund balances	<u>22,265</u>	<u>344,765</u>	<u>-</u>	<u>-</u>	<u>18,681</u>	<u>385,711</u>
Total liabilities and fund balances	<u>\$ 22,265</u>	<u>\$ 344,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,911</u>	<u>\$ 385,941</u>

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

	FSPK	Student Activity	SEEK Capital Outlay	Debt Service	District Activity	Total Nonmajor Governmental
REVENUES						
From local sources						
Taxes						
Property	\$ 286,061	\$ -	\$ -	\$ -	\$ -	\$ 286,061
Earnings on investments	-	10,915	-	-	-	10,915
Other local revenues	-	358,686	-	-	16,171	374,857
Intergovernmental - state	343,599	-	123,949	296,708	-	764,256
Total revenues	629,660	369,601	123,949	296,708	16,171	1,436,089
EXPENDITURES						
Instruction	-	296,857	-	-	9,194	306,051
Instructional staff support	-	14,716	-	-	-	14,716
Student transportation	-	13,489	-	-	-	13,489
Other non-instruction	-	4,095	-	-	-	4,095
Student support services	-	44	-	-	-	44
Debt service	-	-	-	846,590	-	846,590
Total expenditures	-	329,201	-	846,590	9,194	1,184,985
Excess (deficit) of revenues over (under) expenditures	629,660	40,400	123,949	(549,882)	6,977	251,104

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES, continued
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024**

	FSPK	Student Activity	SEEK Capital Outlay	Debt Service	District Activity	Total Nonmajor Governmental
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	549,882	-	549,882
Transfers (out)	(629,660)	-	(123,949)	-	-	(753,609)
Total other financing sources (uses)	(629,660)	-	(123,949)	549,882	-	(203,727)
Net change in fund balances	-	40,400	-	-	6,977	47,377
Fund balances, beginning of year	22,265	304,365	-	-	11,704	338,334
Fund balances, end of year	\$ 22,265	\$ 344,765	\$ -	\$ -	\$ 18,681	\$ 385,711

**CRITTENDEN COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Cash Balance July 1, 2023	Receipts	Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2024
Crittenden County High School	\$ 219,715	\$ 506,542	\$ 484,942	\$ 241,315	\$ -	\$ -	\$ 241,315
Crittenden County Middle School	63,797	38,373	24,461	77,709	-	-	77,709
Crittenden County Elementary School	20,853	53,824	48,936	25,741	-	-	25,741
Totals	\$ 304,365	\$ 598,739	\$ 558,339	\$ 344,765	\$ -	\$ -	\$ 344,765

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF SCHOOL ACTIVITY FUNDS
CRITTENDEN COUNTY HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024**

	Cash Balance July 1, 2023	Receipts	Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2024
Academic Award Banquet	\$ 529	\$ -	\$ 529	\$ -	\$ -	\$ -	\$ -
Academic Team	761	2,156	2,566	351	-	-	351
Aero Space	521	-	521	-	-	-	-
Athletic Department	18,428	22,272	30,896	9,804	-	-	9,804
Assigned beginning balance	-	219,715	218,042	1,673	-	-	1,673
Band	20	500	-	520	-	-	520
Baseball	1,897	8,780	3,534	7,143	-	-	7,143
Beta Club	1,852	2,868	2,108	2,612	-	-	2,612
Biology Club	19	-	19	-	-	-	-
Boys' Basketball	26,686	17,838	22,757	21,767	-	-	21,767
CC House	2,886	-	1,939	947	-	-	947
Cheerleaders	917	-	917	-	-	-	-
Chess	3,068	-	1,198	1,870	-	-	1,870
Class A	53	-	53	-	-	-	-
Concession	21,111	42,201	57,506	5,806	-	-	5,806
District Games	7,910	-	-	7,910	-	-	7,910
Student Unable to Pay	420	-	420	-	-	-	-
Energy Club	336	-	336	-	-	-	-
Family Career Community Leader	4,619	5,625	6,865	3,379	-	-	3,379
Fellowship of Christian Athletes	2,734	546	454	2,826	-	-	2,826
Football	21,249	63,522	42,274	42,497	-	-	42,497
Foreign Language Club	5	-	5	-	-	-	-
Future Business Leaders	3,361	2,997	3,436	2,922	-	-	2,922
Future Educators of America	476	30	-	506	-	-	506
Future Farmers of America	7,360	17,866	19,932	5,294	-	-	5,294
Future Healthcare Providers	2,058	3,487	3,753	1,792	-	-	1,792
General Fund	8,564	15,413	2,232	21,745	-	-	21,745
Girls' Basketball	6,280	31,171	24,116	13,335	-	-	13,335

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT
STATEMENT OF SCHOOL ACTIVITY FUNDS
CRITTENDEN COUNTY HIGH SCHOOL, continued
FOR THE YEAR ENDED JUNE 30, 2024**

	Cash Balance July 1, 2023	Receipts	Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2024
Golf	160	-	160	-	-	-	-
Grand March	1,656	1,872	1,735	1,793	-	-	1,793
Greenhouse Plants	16,781	3,877	3,743	16,915	-	-	16,915
Guidance	1,771	-	44	1,727	-	-	1,727
JR Sportsman	602	190	-	792	-	-	792
Library	1,542	-	508	1,034	-	-	1,034
Little League Boys Basketball	2,799	-	2,799	-	-	-	-
Little League Girls Basketball	381	-	381	-	-	-	-
Pep Club	336	372	437	271	-	-	271
Prom	2,899	3,024	4,142	1,781	-	-	1,781
Rocket Booster Scholarship	225	-	225	-	-	-	-
School trips	2,104	-	480	1,624	-	-	1,624
Security /parking	2,959	495	3,454	-	-	-	-
Senior Class trip	2,514	-	1,663	851	-	-	851
Small business	-	4,510	5	4,505	-	-	4,505
Soccer	3,055	6,467	3,103	6,419	-	-	6,419
Soccer concessions	13	-	13	-	-	-	-
Softball	2,974	4,436	2,178	5,232	-	-	5,232
Special Olympics	2,597	-	657	1,940	-	-	1,940
Speech	610	214	407	417	-	-	417
Start up funds	500	-	500	-	-	-	-
Student Council	5,732	3,430	857	8,305	-	-	8,305
Student Rewards	205	-	114	91	-	-	91
Student Technology Leadership	144	-	140	4	-	-	4
Technology Students Association	783	40	-	823	-	-	823
Track	-	313	-	313	-	-	313
Washington Trip	805	4,017	4,003	819	-	-	819
Volleyball	1,503	10,231	2,983	8,751	-	-	8,751
Yearbook	16,035	6,067	3,803	18,299	-	-	18,299
Young Politicians	3,910	-	-	3,910	-	-	3,910
Totals	\$ 219,715	\$ 506,542	\$ 484,942	\$ 241,315	\$ -	\$ -	\$ 241,315

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

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures
U. S. Department of Education			
Passed through State Department of Education:			
Special Education Cluster			
Special Education - Grants to States	84.027	3810002-22	\$ 171,657
	84.027	3810002-23	348,264
COVID-19 Special Education - Grants to States	84.027	4910002-21	11,792
Special Education - Preschool Grants	84.173	3800002-21	128
	84.173	3800002-22	4,006
	84.173	3800002-23	17,167
COVID-19 Special Education - Preschool Grants	84.173	4900002-21	<u>6,965</u>
Total Special Education Cluster			\$ 559,979
Title I Grants to Local Education Agencies	84.010	3100002-23	569,762
	84.010	3100002-22	31,810
	84.010	3100002-21	<u>3,715</u>
			605,287
Career and Technical Education - Basic Grants to States	84.048	3710002-21	1,933
	84.048	3710002-22	5,743
	84.048	3710002-23	<u>21,070</u>
			28,746
Twenty-First Century Community Learning Centers	84.287	3400002-21	25,757
	84.287	3400002-22	<u>82,560</u>
			108,317
Rural Education	84.358	3140002-21	11,564
	84.358	3140002-22	1,490
	84.358	3140002-23	<u>705</u>
			13,759
Supporting Effective Instruction - State Grants	84.367	3230002-21	38,109
	84.367	3230002-22	26,003
	84.367	3230002-23	<u>7,635</u>
			71,747
Comprehensive Literacy Development	84.371	3220002-22	145,820
	84.371	3220002-21	<u>20,814</u>
			166,634
Student Support and Academic Enrichment Program	84.424	3420002-21	5,330
	84.424	3420002-22	5,182
	84.424	3420002-23	<u>21,024</u>
			31,536
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act			
	84.425	4200002-21	114,776
	84.425	4200003-21	42,261
	84.425	4300002-21	2,158,713
	84.425	4980002-21	<u>25,752</u>
			2,341,502
Total U. S. Department of Education			<u>3,927,507</u>

**CRITTENDEN 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 Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures
U. S. Department of Agriculture			
Passed through State Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	7760005-23	41,449
	10.553	7760005-24	201,642
National School Lunch Program	10.555	7750002-23	108,806
	10.555	7750002-24	519,378
	10.555	9980000-23	45,585
Summer Food Service Program for Children	10.559	7740023-23	157,507
	10.559	7690024-24	<u>16,148</u>
Total Child Nutrition Cluster			1,090,515
Child and Adult Care Food Program	10.558	7790021-23	285
	10.558	7790021-24	2,882
	10.558	7800016-23	20
	10.558	7800016-24	<u>200</u>
			3,387
State Administrative Expenses for Child Nutrition	10.560	7700001-23	3,908
Child Nutrition Discretionary Grants Limited Availability	10.579	7840027-23	24,000
Other U. S. Department of Agriculture Programs:			
Fresh Fruit and Vegetable Program	10.555	Direct	<u>30,515</u>
Total U.S. Department of Agriculture			<u>1,152,325</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,079,832</u></u>

See notes to Schedule of Expenditures of Federal Awards

**CRITTENDEN COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Crittenden County School District (District) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

NOTE 4 – INDIRECT COST RATE

The District has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – COMMODITIES

Nonmonetary assistance is reported in the Schedule at the fair market value of the USDA food commodities received and disbursed.

INTERNAL CONTROL AND COMPLIANCE

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

Kentucky State Committee
for School District Audits
Members of the Board of Education
Crittenden County School District
Marion, 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 *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Crittenden County School District (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 December 4, 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*. In addition, the results of our tests disclosed no material instances of noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

We noted certain matters that we reported to management of Crittenden County School District in a separate report dated December 4, 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.

DGA, PSC

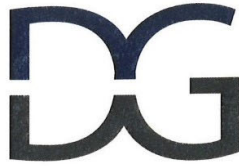
DGA, PSC

Certified Public Accountants
Hopkinsville, Kentucky

December 4, 2024

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

Kentucky State Committee
for School District Audits
Members of the Board of Education
Crittenden County School District
Marion, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crittenden County School District's (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 auditors' results section of the accompanying schedule of findings and questioned costs.

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

DGA, PSC

DGA, PSC

Certified Public Accountants
Hopkinsville, Kentucky

December 4, 2024

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

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial
statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ___ yes X no

Major federal programs:

Program Title	Federal Prefix ALN
Child Nutrition Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program	10.559

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

Auditee qualified as a low-risk auditee? X yes ___ no

Continued

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

Finding – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Aware Programs Audit

None

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

Finding – Financial Statement Audit

2023-001 Internal Controls

Condition – There was inadequate design of internal control over the preparation of financial statements of the District.

Current Status – The finding was not repeated for the fiscal year ending June 30, 2024.

MANAGEMENT COMMENTS FOR AUDIT

ANNA B. HERR, CPA, CFE

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TAYLOR MATHIS, CPA



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December 4, 2024

Kentucky State Committee
for School District Audits
Members of the Board of Education
Crittenden County School District
Marion, Kentucky

In planning and performing our audit of the financial statements of Crittenden County School District (District) for the year ended June 30, 2024, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of some matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. Any uncorrected comments from the prior year have been listed in this memorandum. A separate report dated December 4, 2024 contains our report on the District's internal control. This letter does not affect our report dated December 4, 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 the comments and recommendations with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We performed a follow-up on the prior year findings with the status of these findings documented on page 118 of this report.

This report is intended solely for the information and use of management, the members of the Crittenden County Board of Education, others within the District, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

DGA, PSC

DGA, PSC

Certified Public Accountants
Hopkinsville, Kentucky

**CRITTENDEN COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

No new findings for the year ended June 30, 2024.

**CRITTENDEN COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

CRITTENDEN ELEMENTARY SCHOOL

- I. **Condition** – 1 account with balances at year end had no activity during the preceding 12 months and is considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current Status – The finding was repeated for fiscal year June 30, 2024 for two accounts.

Views of Responsible Officials – This finding has been discussed with staff. Redbook procedures will be followed for inactive accounts with no activity over the last twelve months and will be closed with funds transfers.

CRITTENDEN COUNTY MIDDLE SCHOOL

- I. **Condition** – 9 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current Status – The finding was repeated for fiscal year June 30, 2024 for two accounts.

Views of Responsible Officials – Recommendations and findings have been discussed with staff. Redbook procedures will be followed for inactive accounts with no activity over the last twelve months and will be closed with fund transfers.

**CRITTENDEN COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

CRITTENDEN COUNTY HIGH SCHOOL

- I. **Condition** – Form F-SA-5 Inventory Control Worksheet was not used and completed properly on a monthly basis.

Recommendation – Form F-SA-5 Monthly Inventory Control Worksheet should be completed to recap the flow of Inventory monthly and to identify overage and shortages.

Current Status – The finding was repeated for fiscal year June 30, 2024, and June 30, 2023.

Views of Responsible Officials – Administration will discuss this finding with sponsors and ensure that the proper forms are completed.

- II. **Condition** – Form F-SA-17 Sales from Concessions/Bookstore/School Store/Pencil Machine Form was missing or not completed properly.

Recommendation – Form F-SA-17 Sales form Concessions/Bookstore/School Store/Pencil Machine Form should be completed each time money is collected from these activities. There shall be two different individuals involved: one individual to collect and count the monies from sales and a separate individual to complete the Monthly Inventory Control Worksheet (F-SA-5).

Current Status – The finding was repeated for fiscal year June 30, 2024, and June 30, 2023.

Views of Responsible Officials – Administration will go over procedures with sponsors and ensure that all forms are completed properly.

- III. **Condition** – Fundraisers tested were missing F-SA-2B Fundraiser Summary.

Recommendation – Form F-SA-2B Fundraiser Summary should be completed for each fundraiser.

Current Status – The finding was not repeated for fiscal year June 30, 2024.

- IV. **Condition** - 21 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current Status – The finding was repeated for fiscal year June 30, 2024 for two accounts.

Views of Responsible Officials – Recommendations and findings have been discussed with staff. Redbook procedures will be followed for inactive accounts with no activity over the last twelve months and will be closed with fund transfers.