

**FLOYD COUNTY
SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

For the year ended June 30, 2024

Prepared by:

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Floyd County School District
Prestonsburg, Kentucky

And the State Committee for School District Audits

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 Floyd 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 and the respective budgetary comparison for the General Fund and the Special Revenue Fund 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 *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 Management's Discussion and Analysis, Schedules of the District's Proportionate Share of the Net Pension and OPEB Liability and Schedule of Contributions for CERS and TRS and Medical and Life and Health Insurance Plans comparison information 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

White & Associates, PSC

Richmond, Kentucky
November 15, 2024

**FLOYD COUNTY SCHOOL DISTRICT-PRESTONSBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

As management of the Floyd 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. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- Finished the year with a General Fund balance of \$10.13 million.
- The General Fund had \$51.50 million in revenue (excluding Other Financing Sources) which primarily consisted of the SEEK program, property, utility and motor vehicle taxes. There were \$53.22 million in expenditures (excluding Other Financing Uses).
- Completed the Prestonsburg High School Track Improvements project.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

Refer to the table of contents to find the government-wide financial statements.

**FLOYD COUNTY SCHOOL DISTRICT-PRESTONSBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into three categories: governmental, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the district are included in the governmental funds.

Refer to the table of contents to find the basic governmental fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. To find the notes to the financial statements please refer to 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, the net position was \$60,329,425 as of June 30, 2024.

The largest portion of the District’s net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

2024 District-Wide Governmental net position compared to 2023 as follows:

**FLOYD COUNTY SCHOOL DISTRICT-PRESTONSBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

**Table 1
Net Position
\$ (in Millions)**

	Governmental Activities		Business-type Activities		Totals	
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
Current assets	\$ 26.39	\$ 25.65	\$ 1.47	\$ 1.45	\$ 27.86	\$ 27.10
Non-current assets	127.24	136.97	0.81	0.79	128.05	137.76
Total assets	153.63	162.62	2.28	2.24	155.91	164.86
Deferred outflows	21.59	18.20	0.58	0.53	22.17	18.73
Current liabilities	7.25	7.75	0.02	0.10	7.27	7.85
Non-current liabilities	108.83	89.75	1.62	1.19	110.45	90.94
Total liabilities	116.08	97.50	1.64	1.29	117.72	98.79
Deferred inflows	15.09	23.77	0.34	0.71	15.43	24.48
Net position:						
Invested in capital assets, net of debt	63.30	76.97	0.81	0.77	64.11	77.74
Restricted	13.18	13.35	0.07	0.04	13.25	13.39
Unrestricted (deficit)	(32.43)	(30.76)	-	(0.04)	(32.43)	(30.80)
Total net position	\$ 44.05	\$ 59.56	\$ 0.88	\$ 0.77	\$ 44.93	\$ 60.33

GOVERNMENTAL ACTIVITIES

Ending net position was \$60.33 million for the District. Which is a 15.4 million increase from FY 2023.

**Table 2
Changes in Net Position
(in millions)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2023-2024
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	
Revenues:							
Charges for services	\$ 1.62	\$ 4.83	\$ 0.18	\$ 0.21	\$ 1.80	\$ 5.04	180%
Operating grants and contributions	56.65	41.08	4.98	5.26	61.63	46.34	-25%
Capital grants and contributions	-	4.69	-	0.06	-	4.75	0%
General revenues	43.21	40.43	(0.21)	(0.19)	43.00	40.24	-6%
Total revenue	101.48	91.03	4.95	5.34	106.43	96.37	-9%
Expenses:							
Instruction	\$ 50.37	\$ 41.50	\$ -	\$ -	\$ 50.37	\$ 41.50	-18%
Student	2.19	2.07	-	-	2.19	2.07	-5%
Instructional staff	5.40	4.01	-	-	5.40	4.01	-26%
District administration	2.41	2.45	-	-	2.41	2.45	2%
School administration	5.60	5.11	-	-	5.60	5.11	-9%
Business	1.21	1.11	-	-	1.21	1.11	-8%
Plant operation & maintenance	6.92	7.54	-	-	6.92	7.54	9%
Student transportation	5.18	4.62	-	-	5.18	4.62	-11%
Community services operations	1.36	1.25	0.08	0.08	1.44	1.33	-8%
Food Service Operations	0.25	0.10	4.78	5.30	5.03	5.40	7%
Day care operations	0.07	0.01	-	-	0.07	0.01	-86%
Depreciation/Amortization	3.46	3.54	0.07	0.07	3.53	3.61	2%
Other non-instructional	0.20	0.20	-	-	0.20	0.20	0%
Interest on long-term debt	2.07	2.01	-	-	2.07	2.01	-3%
Total Expenses	\$ 86.69	\$ 75.52	\$ 4.93	\$ 5.45	\$ 91.62	\$ 80.97	-12%
Change in net position	\$ 14.79	\$ 15.51	\$ 0.02	\$ (0.11)	\$ 14.81	\$ 15.40	4%

**FLOYD COUNTY SCHOOL DISTRICT-PRESTONSBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS

At the end of fiscal 2024, the District had \$65,030,967 invested in capital assets (Net of Depreciation), including land, buildings, buses, computers and other equipment. This amount represents an increase (including additions and deductions) of \$8,488,277 from last year.

	Capital Assets at Year-End \$ (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2023	2024	2023	2024	2023	2024
Land	\$ 5,407,190	\$ 4,632,400	\$ -	\$ -	\$ 5,407,190	\$ 4,632,400
Land Improvements	737,534	1,339,846	-	-	737,534	1,339,846
Buildings	95,770,905	93,525,076	465,896	437,027	96,236,802	93,962,103
Technology Equipment	100,627	222,500	-	-	100,627	222,500
Vehicles	1,978,922	3,529,714	7,745	22,273	1,986,666	3,551,987
General Equipment	2,283,552	2,306,683	333,204	308,146	2,616,756	2,614,829
Infrastructure	409,873	265,445	-	-	409,873	265,445
Construction in Progress	19,979,590	29,986,032	-	-	19,979,590	29,986,032
Finance Purchases	402,443	498,083	-	-	402,443	498,083
Right-of-Use Asset	114,394	87,696	-	-	114,394	87,696
Subscription Asset	55,469	37,807	-	-	55,469	37,807
Totals	\$ 127,240,498	\$ 136,431,282	\$ 806,845	\$ 767,446	\$128,047,343	\$137,198,728

DEBT

The following is an analysis of debt activity during the year. Total debt obligations decreased \$4,943,973 million from FY 2023.

**Table 4
Outstanding Debt at Year-End**

	Government Activities	
	2023	2024
General bond obligations	\$ 61,723,683	\$ 57,513,469
Finance purchase obligations	2,071,880	1,843,226
Right-of- Use lease liabilities	144,880	85,247
Right-of- Use subscription payable	33,386	17,100
Workers compensation	1,865,533	1,507,217
KSBIT payable	547,599	476,729
Total Obligations	\$ 66,386,961	\$ 61,442,988

**FLOYD COUNTY SCHOOL DISTRICT-PRESTONSBURG, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024**

REVENUES	Fund 1	Fund 2	Fund 310	Fund 320	Fund 360	Fund 400	Fund 51
Local Revenue Sources	\$ 12,251,895	\$ 310,077	\$ 16,412	\$ 1,985,137	\$ 721,553	\$ -	\$ 122,533
State Revenue Sources	38,737,868	2,283,010	491,939	3,014,604	-	1,182,497	355,929
Federal Revenue Sources	507,743	23,039,611	-	-	-	-	4,908,052
Other	411,132	-	-	-	3,098,584	-	123,885
Transfers	370,165	88,132	-	-	7,411,857	5,055,084	-
TOTALS	\$ 52,278,803	\$ 25,720,830	\$ 508,351	\$ 4,999,741	\$ 11,231,994	\$ 6,237,581	\$ 5,510,399
EXPENDITURES	Fund 1	Fund 2	Fund 310	Fund 320	Fund 360	Fund 400	Fund 51
Instruction	\$ 29,223,038	\$ 11,864,092	\$ -	\$ -	\$ -	\$ -	\$ -
Student Support Services	893,038	1,173,493	-	-	-	-	-
Instructional Staff Support Services	1,028,875	2,943,624	-	-	-	-	-
District Admin Support	2,429,895	20,000	-	-	-	-	-
School Admin Support	5,112,866	-	-	-	-	-	-
Business Support Services	1,106,920	3,608	-	-	-	-	-
Plant Operation & Management	7,688,338	111,896	-	-	-	-	-
Student Transportation	5,267,117	1,472,863	-	-	-	-	-
Food Service Operations	-	97,516	-	-	-	-	5,292,487
Day Care Operations	-	11,950	-	-	-	-	-
Community Services	-	1,246,457	-	-	-	-	-
Architectural & Engineering	-	-	-	-	408,321	-	-
Building Acquisition	-	-	-	-	3,799,607	-	-
Debt Service	465,306	-	-	-	6,843,852	6,237,581	-
Depreciation	-	-	-	-	-	-	69,831
Other	-	-	-	-	-	-	-
Transfers	396,476	6,775,331	504,109	4,985,934	8,204	-	255,185
TOTALS	\$ 53,611,869	\$ 25,720,830	\$ 504,109	\$ 4,985,934	\$ 11,059,984	\$ 6,237,581	\$ 5,617,503
Excess / (Deficit)	(1,333,066)	-	4,242	13,807	172,010	-	(107,104)

In Kentucky, the public-school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district’s overall budget. By law the budget must have a minimum 2.0% contingency in the Tentative Final Working budget. While it is not mandatory in the Final Working budget, the Kentucky Department of Education places district’s with less than a 2% reserve on a financial watch list. The district maintained a budgeted general fund contingency of \$2,137,544. The beginning general fund balance for fiscal year 2024 was \$11,464,101.

Questions regarding this report should be directed to the Interim Superintendent of Schools, Larry Hammond, or the Chief Finance Officer/Board Treasurer, Tiffany Warrix Campbell, CPA, at (606) 886-2354 or by mail at 442 KY RT. 550 Eastern, KY 41622.

Floyd County School District
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,037,161	\$ 1,013,663	\$ 21,050,824
Receivables (net)	5,610,106	319,801	5,929,907
Inventories		119,162	119,162
Funded OPEB asset	540,627	25,651	566,278
Capital assets:			
Land and construction in progress	34,618,432		34,618,432
Other capital assets, net of depreciation	101,189,264	767,446	101,956,710
Net finance purchases	498,083		498,083
Net intangible right-of-use assets	87,696		87,696
Net subscription assets	37,807		37,807
Total capital assets	<u>136,431,282</u>	<u>767,446</u>	<u>137,198,728</u>
Total assets	<u>162,619,176</u>	<u>2,245,723</u>	<u>164,864,899</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,702,074	365,437	8,067,511
Deferred outflows related to OPEB CERS	3,419,297	162,234	3,581,531
Deferred outflows related to OPEB TRS	6,988,773		6,988,773
Deferred savings from refunding bonds	93,573		93,573
Total deferred outflows of resources	<u>18,203,717</u>	<u>527,671</u>	<u>18,731,388</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>180,822,893</u>	<u>2,773,394</u>	<u>183,596,287</u>
LIABILITIES			
Accounts payable and accrued expenses	1,315,341	97,632	1,412,973
Accrued interest payable	707,515		707,515
Unearned revenue	855,279		855,279
Long-term liabilities:			
Due within 1 year:			
Bond obligations	4,255,000		4,255,000
Finance purchase obligations	491,100		491,100
Right-of-use lease liabilities	39,684		39,684
Right-of-use subscription payable	17,100		17,100
KSBIT payable	70,002		70,002
Total due within 1 year	<u>4,872,886</u>	<u>-</u>	<u>4,872,886</u>
Due in more than 1 year:			
Bond obligations	53,258,469		53,258,469
Finance purchase obligations	1,352,126		1,352,126
Right-of-use lease liabilities	45,563		45,563
Workers compensation	1,507,217		1,507,217
Sick leave	361,526		361,526
KSBIT payable	406,727		406,727
Net pension liability	25,126,061	1,192,147	26,318,208
Net OPEB liability TRS	7,688,000		7,688,000
Total due in more than 1 year	<u>89,745,689</u>	<u>1,192,147</u>	<u>90,937,836</u>
Total liabilities	<u>97,496,710</u>	<u>1,289,779</u>	<u>98,786,489</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	5,433,250	257,790	5,691,040
Deferred inflows related to OPEB CERS	9,613,218	456,115	10,069,333
Deferred inflows related to OPEB TRS	8,720,000		8,720,000
Total deferred inflows of resources	<u>23,766,468</u>	<u>713,905</u>	<u>24,480,373</u>
NET POSITION			
Net investment in capital assets	76,972,240	767,446	77,739,686
Restricted for:			
Capital projects	12,774,859		12,774,859
District activities	36,052		36,052
Student activities	534,701		534,701
Child care		41,377	41,377
Unrestricted (deficit)	<u>(30,758,137)</u>	<u>(39,113)</u>	<u>(30,797,250)</u>
Total net position	<u>59,559,715</u>	<u>769,710</u>	<u>60,329,425</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 180,822,893</u>	<u>\$ 2,773,394</u>	<u>\$ 183,596,287</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	\$ 41,496,033	\$ -	\$ 25,593,754	\$ -	\$ (15,902,279)	\$ -	\$ (15,902,279)
Support services							
Student	2,066,531	1,058,136	1,124,320		115,925		115,925
Instructional staff	4,016,022		2,184,964		(1,831,058)		(1,831,058)
District administration	2,449,895		1,332,894		(1,117,001)		(1,117,001)
School administration	5,112,866		2,781,715		(2,331,151)		(2,331,151)
Business	1,110,528		604,196		(506,332)		(506,332)
Other non-instructional	200,001		108,813		(91,188)		(91,188)
Plant operation & maintenance	7,539,417	3,217,174	4,101,908	3,506,543	3,286,208		3,286,208
Student transportation	4,622,643		2,515,003		(2,107,640)		(2,107,640)
Food service activities	97,516	544,604	53,055		500,143		500,143
Day care operations	11,950		6,502		(5,448)		(5,448)
Community services operations	1,246,457	6,100	678,150		(562,207)		(562,207)
Interest on general long-term debt	2,010,395			1,182,497	(827,898)		(827,898)
Depreciation*	3,535,575				(3,535,575)		(3,535,575)
Total governmental activities	<u>75,515,829</u>	<u>4,826,014</u>	<u>41,085,273</u>	<u>4,689,040</u>	<u>(24,915,502)</u>	<u>-</u>	<u>(24,915,502)</u>
Business-type activities:							
Food service operations	5,292,487	122,533	5,263,981	59,469		153,496	153,496
Community operation	86,260	82,035				(4,225)	(4,225)
Depreciation*	69,831					(69,831)	(69,831)
Total business-type activities	<u>5,448,578</u>	<u>204,568</u>	<u>5,263,981</u>	<u>59,469</u>	<u>-</u>	<u>79,440</u>	<u>79,440</u>
Total primary government	\$ <u>80,964,407</u>	\$ <u>5,030,582</u>	\$ <u>46,349,254</u>	\$ <u>4,748,509</u>	<u>(24,915,502)</u>	<u>79,440</u>	<u>(24,836,062)</u>
General revenues:							
Taxes:							
Property taxes					8,253,559		8,253,559
Motor vehicle taxes					2,120,845		2,120,845
Unmined minerals taxes					1,174,571		1,174,571
Franchise taxes					2,048,742		2,048,742
State and formula grants					26,026,159		26,026,159
Unrestricted investment earnings					1,366,147	64,416	1,430,563
Other local					373,170		373,170
Loss on retirement of assets					(1,192,679)		(1,192,679)
Transfers					255,185	(255,185)	-
Total general revenues and transfers					<u>40,425,699</u>	<u>(190,769)</u>	<u>40,234,930</u>
Change in net position					15,510,197	(111,329)	15,398,868
Net position - beginning					<u>44,049,518</u>	<u>881,039</u>	<u>44,930,557</u>
Net position - ending					\$ <u>59,559,715</u>	\$ <u>769,710</u>	\$ <u>60,329,425</u>

*Unallocated depreciation that excludes depreciation which is included in the direct expenses of various programs, if any.

See the accompanying notes to the financial statements.

Floyd County School District
Balance Sheet - Governmental Funds
 June 30, 2024

	Governmental Funds					
	General	Special Revenue	Construction	Debt Service	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 6,209,816	\$ -	\$ 12,931,902	\$ -	\$ 895,443	\$ 20,037,161
Receivables, net						
Interfund receivables	2,998,296					2,998,296
Taxes-current	1,221,022					1,221,022
Accounts	41,483	245,725			778	287,986
Intergovernmental-state		135,426				135,426
Intergovernmental-federal		3,965,672				3,965,672
Total assets	<u>10,470,617</u>	<u>4,346,823</u>	<u>12,931,902</u>	<u>-</u>	<u>896,221</u>	<u>28,645,563</u>
LIABILITIES						
Accounts payable	339,582	493,248	481,960		551	1,315,341
Interfund payable		2,998,296				2,998,296
Unearned revenue		855,279				855,279
Total liabilities	<u>339,582</u>	<u>4,346,823</u>	<u>481,960</u>	<u>-</u>	<u>551</u>	<u>5,168,916</u>
FUND BALANCE						
Restricted			12,449,942		324,917	12,774,859
Committed					570,753	570,753
Assigned	1,964,982					1,964,982
Unassigned	8,166,053					8,166,053
Total fund balance	<u>10,131,035</u>	<u>-</u>	<u>12,449,942</u>	<u>-</u>	<u>895,670</u>	<u>23,476,647</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,470,617</u>	<u>\$ 4,346,823</u>	<u>\$ 12,931,902</u>	<u>\$ -</u>	<u>\$ 896,221</u>	<u>\$ 28,645,563</u>

See the accompanying notes to the financial statements.

Floyd County School District
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2024

Fund balance-total governmental funds	\$	23,476,647
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.		136,431,282
Costs associated with bond issues and refundings are expensed in the fund financial statements because they are a use of current financial resources but are capitalized on the statement of net position using the economic resources focus		93,573
Certain assets (OPEB asset) are not receivable in the current period and, therefore, are not reported in the fund financial statements.		540,627
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, accrued interest payable, other accounts payable, and net pension obligations) are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest payable		(707,515)
Bonds payable		(57,513,469)
Finance purchase obligations		(1,843,226)
Leased liabilities		(85,247)
Right-of-use subscription payable		(17,100)
KSBIT payable		(476,729)
Sick leave liability		(361,526)
Workers compensation liability		(1,507,217)
Net pension liability		(25,126,061)
Net OPEB liability		(7,688,000)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows related to OPEB		10,408,070
Deferred inflows related to OPEB		(18,333,218)
Deferred outflows related to pensions		7,702,074
Deferred inflows related to pensions		<u>(5,433,250)</u>
Net position of governmental activities	\$	<u>59,559,715</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
From local sources						
Taxes						
Property	\$ 6,270,059	\$ -	\$ -	\$ -	\$ 1,983,500	\$ 8,253,559
Motor vehicle	2,120,845					2,120,845
Unmined mineral	1,174,571					1,174,571
Franchise tax	2,048,742					2,048,742
Earnings on investments	621,880	4,666	721,553		18,049	1,366,148
Food service	332				544,272	544,604
Community service	6,100					6,100
Student activities					1,058,136	1,058,136
Other local revenue	9,366	305,411			58,393	373,170
Intergovernmental - state	38,737,868	2,283,010		1,182,497	3,506,543	45,709,918
Intergovernmental - federal	507,743	23,039,611				23,547,354
Total revenues	<u>51,497,506</u>	<u>25,632,698</u>	<u>721,553</u>	<u>1,182,497</u>	<u>7,168,893</u>	<u>86,203,147</u>
EXPENDITURES						
Instruction	29,223,038	11,864,092			1,428,957	42,516,087
Support services						
Student	893,038	1,173,493				2,066,531
Instructional staff	1,028,875	2,943,624			43,523	4,016,022
District administration	2,429,895	20,000				2,449,895
School administration	5,112,866					5,112,866
Business	1,106,920	3,608				1,110,528
Other non-instruction					200,001	200,001
Plant operation & maintenance	7,688,338	111,896			13,003	7,813,237
Student transportation	5,267,117	1,472,863			1,824	6,741,804
Food services operation		97,516				97,516
Day care operations		11,950				11,950
Community services		1,246,457				1,246,457
Architectural & engineering			408,321			408,321
Building acquisition & construction			3,799,607			3,799,607
Building improvement			6,843,852			6,843,852
Debt service	465,306			6,237,581		6,702,887
Total expenditures	<u>53,215,393</u>	<u>18,945,499</u>	<u>11,051,780</u>	<u>6,237,581</u>	<u>1,687,308</u>	<u>91,137,561</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,717,887)	6,687,199	(10,330,227)	(5,055,084)	5,481,585	(4,934,414)
OTHER FINANCING SOURCES (USES)						
Sale of equipment, buildings, land & improvements	118,590					118,590
Insurance proceeds			3,098,584			3,098,584
Finance purchase proceeds	260,151					260,151
Right of use lease proceeds	32,391					32,391
Operating transfers in	370,165	88,132	7,411,857	5,055,084		12,925,238
Operating transfers (out)	(396,476)	(6,775,331)	(8,204)		(5,490,043)	(12,670,054)
Total other financing sources and (uses)	<u>384,821</u>	<u>(6,687,199)</u>	<u>10,502,237</u>	<u>5,055,084</u>	<u>(5,490,043)</u>	<u>3,764,900</u>
NET CHANGE IN FUND BALANCE	(1,333,066)	-	172,010	-	(8,458)	(1,169,514)
FUND BALANCE-BEGINNING	<u>11,464,101</u>	<u>-</u>	<u>12,277,932</u>	<u>-</u>	<u>904,128</u>	<u>24,646,161</u>
FUND BALANCE-ENDING	<u>\$ 10,131,035</u>	<u>\$ -</u>	<u>\$ 12,449,942</u>	<u>\$ -</u>	<u>\$ 895,670</u>	<u>\$ 23,476,647</u>

See the accompanying notes to the financial statements.

Floyd County School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
 For the year ended June 30, 2024

Net change in fund balance-total governmental funds	\$ (1,169,514)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report district OPEB and pension contributions as expenditures. However in the Statement of Activities, the cost of the benefits earned net of employee contributions is reported as pension expense or revenue.	2,198,337
Bonds sold at a discount/premium is recorded as a other financing use on the fund financial statements but is netted against bond obligations and amortized to expense over the life of the bond in the statement of net position.	(49,786)
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.	9,190,784
The difference in the issue amount of the refunding of bond proceeds and the amount for payment to the escrow account to pay the refunded bonds is amortized over the life of the refunding issue.	(48,449)
Bond and finance purchase payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.	4,531,187
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	
Accrued interest payable	41,922
KSBIT payable	70,870
Workers compensation liability	358,316
Noncurrent sick leave payable	<u>386,530</u>
Change in net position of governmental activities	\$ <u>15,510,197</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
From local sources				
Taxes				
Property	\$ 6,218,650	\$ 6,218,650	\$ 6,270,059	\$ 51,409
Motor vehicle	1,875,000	1,875,000	2,120,845	245,845
Unmined minerals	260,000	260,000	1,174,571	914,571
Franchise tax	2,200,000	2,200,000	2,048,742	(151,258)
Earnings on investments	450,000	450,000	621,880	171,880
Food service	500	500	332	(168)
Community service	9,000	9,000	6,100	(2,900)
Other local revenue	28,000	28,000	9,366	(18,634)
Intergovernmental - state	41,525,913	41,525,913	38,737,868	(2,788,045)
Intergovernmental - federal	325,000	325,000	507,743	182,743
Total revenues	<u>52,892,063</u>	<u>52,892,063</u>	<u>51,497,506</u>	<u>(1,394,557)</u>
EXPENDITURES				
Instruction	33,501,205	33,501,205	29,223,038	4,278,167
Support services				
Student	946,116	946,116	893,038	53,078
Instructional staff	1,454,163	1,454,163	1,028,875	425,288
District administration	3,098,344	3,098,344	2,429,895	668,449
School administration	5,595,228	5,595,228	5,112,866	482,362
Business	1,219,660	1,219,660	1,106,920	112,740
Plant operation & maintenance	8,012,207	8,012,207	7,688,338	323,869
Student transportation	5,542,608	5,542,608	5,267,117	275,491
Community services operations	63,682	63,682	-	63,682
Debt service	465,306	465,306	465,306	-
Total expenditures	<u>59,898,519</u>	<u>59,898,519</u>	<u>53,215,393</u>	<u>6,683,126</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(7,006,456)	(7,006,456)	(1,717,887)	5,288,569
OTHER FINANCING SOURCES (USES)				
Sale of equipment, buildings, land & improvements			118,590	118,590
Finance purchase proceeds			260,151	260,151
Right of use lease proceeds			32,391	32,391
Operating transfers in	260,000	260,000	370,165	110,165
Operating transfers (out)	(615,199)	(615,199)	(396,476)	218,723
Total other financing sources and (uses)	<u>(355,199)</u>	<u>(355,199)</u>	<u>384,821</u>	<u>740,020</u>
NET CHANGE IN FUND BALANCE	(7,361,655)	(7,361,655)	(1,333,066)	6,028,589
FUND BALANCE BEGINNING	<u>9,499,199</u>	<u>9,499,199</u>	<u>11,464,101</u>	<u>1,964,902</u>
FUND BALANCE-ENDING	<u>\$ 2,137,544</u>	<u>\$ 2,137,544</u>	<u>\$ 10,131,035</u>	<u>\$ 7,993,491</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue Fund
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
From local sources				
Earnings on investments	\$ -	\$ 2,537	\$ 4,666	\$ 2,129
Other local revenue	173,873	354,265	305,411	(48,854)
Intergovernmental - state	2,307,682	2,161,961	2,283,010	121,049
Intergovernmental - federal	9,641,814	10,604,924	23,039,611	12,434,687
Total revenues	<u>12,123,369</u>	<u>13,123,687</u>	<u>25,632,698</u>	<u>12,509,011</u>
EXPENDITURES				
Instruction	8,800,982	9,358,551	11,864,092	(2,505,541)
Support services				
Student	167,937	264,753	1,173,493	(908,740)
Instructional staff	1,953,439	2,028,457	2,943,624	(915,167)
District administration	20,000	20,000	20,000	-
School administration	24,303			-
Business			3,608	(3,608)
Plant operation & maintenance	41,624	37,507	111,896	(74,389)
Student transportation		5,000	1,472,863	(1,467,863)
Food service operations			97,516	(97,516)
Community services operations	1,224,084	1,231,584	1,246,457	(14,873)
Day care operations			11,950	(11,950)
Total expenditures	<u>12,232,369</u>	<u>12,945,852</u>	<u>18,945,499</u>	<u>(5,999,647)</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(109,000)	177,835	6,687,199	6,509,364
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)			(6,775,331)	(6,775,331)
Operating transfers in	109,000	88,132	88,132	-
Total other financing sources and (uses)	<u>109,000</u>	<u>88,132</u>	<u>(6,687,199)</u>	<u>(6,775,331)</u>
NET CHANGE IN FUND BALANCE	-	265,967	-	(265,967)
FUND BALANCE-BEGINNING	-	-	-	-
FUND BALANCE-ENDING (DEFICIT)	<u>\$ -</u>	<u>\$ 265,967</u>	<u>\$ -</u>	<u>\$ (265,967)</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Net Position Proprietary Fund
June 30, 2024

	<u>Enterprise Funds</u>		
	<u>School Food Services</u>	<u>Other Proprietary Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 924,726	\$ 88,937	\$ 1,013,663
Inventories	119,162		119,162
Accounts receivable, net	319,801		319,801
Funded OPEB asset	24,749	902	25,651
Capital assets:			
Other capital assets, net of depreciation	767,446		767,446
Total assets	<u>2,155,884</u>	<u>89,839</u>	<u>2,245,723</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	352,589	12,848	365,437
Deferred outflows related to OPEB	156,530	5,704	162,234
Total deferred outflows of resources	<u>509,119</u>	<u>18,552</u>	<u>527,671</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>2,665,003</u>	<u>108,391</u>	<u>2,773,394</u>
LIABILITIES			
Accounts payable	97,632		97,632
Net pension liability	1,150,233	41,914	1,192,147
Total liabilities	<u>1,247,865</u>	<u>41,914</u>	<u>1,289,779</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	248,726	9,064	257,790
Deferred inflows related to OPEB	440,079	16,036	456,115
Total deferred inflows of resources	<u>688,805</u>	<u>25,100</u>	<u>713,905</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,936,670</u>	<u>67,014</u>	<u>2,003,684</u>
NET POSITION			
Net Investment in capital assets	767,446		767,446
Restricted		41,377	41,377
Unrestricted (deficit)	(39,113)		(39,113)
Total net position	<u>728,333</u>	<u>41,377</u>	<u>769,710</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 2,665,003</u>	<u>\$ 108,391</u>	<u>\$ 2,773,394</u>

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the year ended June 30, 2024

	Enterprise Funds		
	School Food Services	Other Proprietary Fund	Total
OPERATING REVENUES			
Lunchroom sales	\$ 122,533	\$ -	\$ 122,533
Community services		82,035	82,035
Total operating revenues	122,533	82,035	204,568
OPERATING EXPENSES			
Food service operations			
Salaries and benefits	2,323,283		2,323,283
Operational	2,969,204		2,969,204
Day care operations			
Salaries and benefits		78,404	78,404
Operational		7,856	7,856
Depreciation	69,831		69,831
Total operating expenses	5,362,318	86,260	5,448,578
Operating income (loss)	(5,239,785)	(4,225)	(5,244,010)
NONOPERATING REVENUES (EXPENSES)			
Federal grants	4,908,052		4,908,052
State grants	355,929		355,929
Transfers in (out)	(255,185)		(255,185)
Local reimbursement	59,469		59,469
Earnings from investments	64,416		64,416
Total nonoperating revenues (expenses)	5,132,681	-	5,132,681
CHANGE IN NET POSITION	(107,104)	(4,225)	(111,329)
NET POSITION-BEGINNING	835,437	45,602	881,039
NET POSITION-ENDING	\$ 728,333	\$ 41,377	\$ 769,710

See the accompanying notes to the financial statements.

Floyd County School District
Statement of Cash Flows Proprietary Fund
For the year ended June 30, 2024

	Enterprise Funds		
	School Food Services	Child Care Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 122,533	\$ 82,035	\$ 204,568
Payments to suppliers	(3,078,440)	(3,255)	(3,081,695)
Payments to employees	(2,323,283)	(78,404)	(2,401,687)
Net cash provided (used) by operating activities	<u>(5,279,190)</u>	<u>376</u>	<u>(5,278,814)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and contributions	5,263,981	-	5,263,981
Net cash provided (used) by noncapital financing activities	<u>5,263,981</u>	<u>-</u>	<u>5,263,981</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers	(255,185)		(255,185)
Local reimbursement	59,469		59,469
Purchase of capital assets	(30,432)		(30,432)
Net cash provided (used) by capital and related financing activities	<u>(226,148)</u>	<u>-</u>	<u>(226,148)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	64,416	5	64,421
Net cash provided (used) by investing activities	<u>64,416</u>	<u>5</u>	<u>64,421</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(176,941)	381	(176,560)
CASH AND CASH EQUIVALENTS-BEGINNING	1,101,667	88,556	1,190,223
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 924,726</u>	<u>\$ 88,937</u>	<u>\$ 1,013,663</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (5,239,785)	\$ (4,225)	\$ (5,244,010)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	69,831	-	69,831
Changes in assets and liabilities:			
Receivables	(102,197)	(427)	(102,624)
Funded OPEB asset	(24,749)	(902)	(25,651)
Inventories	(57,024)		(57,024)
Outflow Deferrals	54,149		54,149
Inflow Deferrals	361,762	14,576	376,338
Net pension liability	(83,972)	2,199	(81,773)
Net OPEB liability	(336,880)	(10,840)	(347,720)
Accrued liabilities	79,675	(5)	79,670
Net cash provided provided (used) by operating activities	<u>\$ (5,279,190)</u>	<u>\$ 376</u>	<u>\$ (5,278,814)</u>

NONCASH NONCAPITAL FINANCING ACTIVITIES

During the year, the district received \$249,292 of food commodities from the U.S. Department of Agriculture.

During the year, the district recognized revenues and expenses for on-behalf payments relating to fringe benefits in the amount of \$327,763 for food services provided by state government.

See the accompanying notes to the financial statements.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Floyd County Board of Education (“Board”), a five-member group, is the level of government, which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Floyd County Board of Education (“District”). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100-Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

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

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

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Blended Component Unit

The Board authorized establishment of the Floyd County Board of Education Finance Corporation a non-stock, non-profit corporation pursuant to Section 162.385 of the School Bond Act and Chapter 273 and Section 58.180 of the Kentucky Revised Statutes (the “Corporation”) to act as an agency of the District for financing the costs of school building facilities. The Board of Directors of the Corporation shall be the same persons who are at any time the members of the Board of Education of the Floyd County Board of Education.

Basis of Presentation

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

The District has the following funds:

I. Governmental Fund Types

(A) General Fund

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

(B) Special Revenue (Grant) Fund

The Special Revenue (Grant) Fund accounts for proceeds of specific revenue sources (other than expendable trust funds or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. KDE requires this fund to be a major fund.

(C) Special Revenue (District Activity) Fund

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Special Revenue (District Activity) Fund accounts for funds collected at individual schools for operation costs of the schools or school district that allows for more flexibility in the expenditures of those funds.

(D) Special Revenue (Student Activity) Fund

Special Revenue (Student Activity) Fund accounts for activities of student groups and other types of activities requiring clearing accounts.

(E) Capital Project Funds

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

SEEK Capital Outlay Fund

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

Building (FSPK) Fund

The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy that is 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.

Construction Fund

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

(F) Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky Law. The District considers this a major fund.

II. Proprietary Funds (Enterprise Funds)

(A) Food Service Fund

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(B) Day Care Fund

The Day Care Fund is used to account for child care activities.

The District applies all GASB pronouncements to proprietary funds.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Cash and Cash Equivalents

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

Inventories

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

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2024, 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 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 government funds. These assets are reported in the government activities column of the government-wide financial statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

Land and construction in progress are not depreciated. The other property, plant and equipment of the district are depreciated using the straight-line method over the following estimated useful lives:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Right-of-Use Assets, Finance Purchases, Subscription-Based Information Technology Arrangements

The District records right-of-use and finance purchase assets in accordance with GASB 87 and subscription based information technology arrangement assets in accordance with GASB 96. These assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset into service. The assets are amortized on a straight-line basis over the life of the related lease.

Accrued Liabilities and Long-Term Obligations

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

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

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of the accumulated sick leave.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

Fund Balances

Fund balance is divided into five categories as defined by GASB 54 as follows:

Non-spendable	Permanently non-spendable by decree of the donor, such as an endowment, or funds that are not in a spendable form, such as prepaid expenses or inventory on hand.
Restricted	Legally restricted under legislation, bond authority, or grantor contract.
Committed	Commitments of future funds for specific purposes passed by the Board.
Assigned	Funds that are intended by management to be used for a specific purpose, including encumbrances.
Unassigned	Funds available for any purpose; unassigned amounts are reported only in the General Fund unless a fund has a deficit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Board has adopted a GASB 54 spending policy which states that the spending order of funds is to first use restricted, committed, assigned resources first, then unassigned resources as they are needed.

Net Position

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as Net Position. Net Position are reported in three categories: 1) net investment in capital assets – consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of the assets; 2) restricted net position – resulting from constraints placed on net position by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation adopted by the School District; 3) unrestricted net position – those assets that do not meet the definition of restricted net position or net investment in capital assets. It is the District's policy to first apply restricted net position and then unrestricted net position when an expense is incurred for which both restricted and unrestricted net position are available.

Property Taxes

Property Tax Revenues – Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied.

The property tax rates assessed for the year ended June 30, 2024, to finance the General Fund operations were \$.686 per \$100 valuation of real property, \$.686 per \$100 valuation for tangible personal property and \$.554 per \$100 valuation for motor vehicles.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools.

Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the School District those revenues come in the form of grants (federal and state), donated commodities, and earnings from investments.

In-Kind

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

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Interfund Receivables/Payables

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

Interfund Transfers

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows – contributions to the CERS’s pension and OPEB plans after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until the appropriate period. The District reports two types of deferred inflows related to the net difference projected and actual earnings on pension and OPEB plan investments.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (“CERS”) and Teachers Retirement System of the State of Kentucky (“TRS”) 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.

Other Postemployment Benefits (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers’ Retirement System of the State of Kentucky (TRS), and the County Retirement System of Kentucky (CERS), and additions to/deductions from TRS’s/CERS’s fiduciary net position have been determined on the same basis as they are reported by TRS/CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Bond and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

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

Budgetary Process

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used to prepare the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

The Kentucky Department of Education does not require the Capital Project Funds and Debt Service Funds to prepare budgets.

Special Revenue Fund Expenditures exceeded budgeted appropriations by \$5,999,647.

New Accounting Pronouncements

GASB Statement No. 100- In June, 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

There is no effect on current year financial statements for newly adopted accounting pronouncements.

Effective in Future Years:

The District is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards:

GASB Statement No. 101- 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 for compensated absences. The Statement is effective for reporting periods beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102- In December, 2023, the GASB issued Statement No. 101, *Certain Risk Disclosures*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The Statement is effective for fiscal years beginning after June 15, 2024, and reporting periods thereafter.

GASB Statement No. 103- In April in 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement is effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter.

NOTE B – CASH AND CASH EQUIVALENTS

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

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law. At year end the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC insurance. At year end, the carrying amount of the District's cash and cash equivalents was \$21,050,825. The bank balance for the same time was \$26,722,642.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE C – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2024</u>
Land (nondepreciable)	\$ 5,407,190	\$ -	\$ 774,790	\$ 4,632,400
Construction in progress (nondepreciable)	19,979,590	11,051,780	1,045,338	29,986,032
Land improvements	1,912,640	703,539	-	2,616,179
Buildings	137,314,963	341,798	1,528,344	136,128,418
Technology equipment	1,399,455	181,735	-	1,581,189
Vehicles	7,033,332	2,119,161	926,087	8,226,406
General equipment	4,240,073	273,820	-	4,513,893
Infrastructure	6,695,602	-	-	6,695,602
Total at historical cost	<u>\$ 183,982,846</u>	<u>\$ 14,671,833</u>	<u>\$ 4,274,559</u>	<u>\$ 194,380,120</u>
Less: Accumulated depreciation				
Land improvements	\$ 1,175,107	\$ 101,227	\$ -	\$ 1,276,334
Buildings	41,544,058	2,169,740	1,110,455	42,603,342
Technology equipment	1,298,828	59,861	-	1,358,689
Vehicles	5,054,410	568,369	926,087	4,696,692
General equipment	1,956,521	250,689	-	2,207,210
Infrastructure	6,285,729	144,428	-	6,430,157
Total accumulated depreciation	<u>\$ 57,314,653</u>	<u>\$ 3,294,313</u>	<u>\$ 2,036,542</u>	<u>\$ 58,572,424</u>
Finance Purchases				
General equipment	\$ 840,000	\$ 260,151	\$ -	\$ 1,100,151
Less: Accumulated depreciation	(437,557)	(164,511)	-	(602,068)
Finance Purchases-net	<u>\$ 402,443</u>	<u>\$ 95,640</u>	<u>\$ -</u>	<u>\$ 498,083</u>
Right-of-Use Asset				
Leased equipment	\$ 357,501	\$ 32,391	\$ -	\$ 389,892
Less: Accumulated amortization	(243,107)	(59,089)	-	(302,196)
Right-of-Use Asset-net	<u>\$ 114,394</u>	<u>\$ (26,698)</u>	<u>\$ -</u>	<u>\$ 87,696</u>
Subscription Asset				
Leased subscription	\$ 88,362	\$ -	\$ -	\$ 88,362
Less: Accumulated amortization	(32,893)	(17,662)	-	(50,555)
Subscription Asset-net	<u>\$ 55,469</u>	<u>\$ (17,662)</u>	<u>\$ -</u>	<u>\$ 37,807</u>
Governmental Activities				
Capital Assets-net	<u>\$ 127,240,498</u>	<u>\$ 11,428,800</u>	<u>\$ 2,238,016</u>	<u>\$ 136,431,282</u>
<u>Business-Type Activities</u>	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2024</u>
Buildings	\$ 1,481,682	\$ -	\$ -	\$ 1,481,682
Technology equipment	-	-	-	-
Vehicles	10,561	20,376	-	30,937
General equipment	915,024	10,056	-	925,081
Total at historical cost	<u>\$ 2,407,267</u>	<u>\$ 30,432</u>	<u>\$ -</u>	<u>\$ 2,437,700</u>
Less: Accumulated depreciation				
Buildings	1,015,786	28,869	-	1,044,655
Technology equipment	-	-	-	-
Vehicles	2,816	5,848	-	8,664
General equipment	581,820	35,114	-	616,934
Total accumulated depreciation	<u>\$ 1,600,423</u>	<u>\$ 69,831</u>	<u>\$ -</u>	<u>\$ 1,670,254</u>
Business-Type Activities				
Capital Assets-net	<u>\$ 806,845</u>	<u>\$ (39,399)</u>	<u>\$ -</u>	<u>\$ 767,446</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated”.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE D – LONG TERM DEBT OBLIGATIONS

Bonds

The amount shown in the accompanying financial statements as bonded debt and lease obligations represent the District’s future obligations to make payments relating to the bonds issued by the Floyd County School District Finance Corporation.

The District, through the General Fund, Building (FSPK) Fund, and the SEEK Capital Outlay Fund is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Floyd 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 bonds payable are collateralized by education facilities constructed by the District with bond proceeds. Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent. All bonds are subject to federal arbitrage regulations.

The original amount of outstanding issues, the issue dates, interest rates, maturity dates, and outstanding balances, at June 30, 2024, are summarized below:

<u>Bond Issue</u>	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>2023</u>			<u>2024</u>
				<u>Outstanding Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding Balance</u>
2015	\$ 52,595,000	08/01/35	3- 4.0%	\$ 40,600,000	\$ -	\$ 2,075,000	\$ 38,525,000
2014R	6,685,000	03/01/26	2.25 - 3.0%	2,115,000	-	690,000	1,425,000
2017	10,560,000	03/01/37	3-3.75%	8,955,000	-	330,000	8,625,000
2012R	2,870,000	12/01/24	2.5-2.625%	580,000	-	350,000	230,000
2013R	3,315,000	10/01/25	1.875 - 2.0%	1,025,000	-	335,000	690,000
2020	2,175,000	04/01/35	2.0-2.125%	1,790,000	-	135,000	1,655,000
2020E	7,215,000	06/01/40	2.375-5.0%	6,700,000	-	210,000	6,490,000
2020R	<u>1,120,000</u>	04/01/28	2%	<u>725,000</u>	-	<u>135,000</u>	<u>590,000</u>
	\$ 86,535,000			62,490,000	-	4,260,000	58,230,000
Add:	Premium			50,244	-	(14,950)	35,294
Less:	Discount			(816,561)	-	64,736	(751,825)
	Totals			<u>\$ 61,723,683</u>	<u>\$ -</u>	<u>\$ 4,309,786</u>	<u>\$ 57,513,469</u>

The District has entered into “participation agreements” with the Kentucky School Facility Construction Commission. The Kentucky Legislature, for the purpose of assisting local school districts in meeting school construction needs, created the Commission. The table following sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>YEAR</u>	<u>LOCAL</u>		<u>KSFCC</u>		<u>PRINCIPAL TOTAL</u>	<u>INTEREST TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>		
2025	\$ 3,380,448	\$ 1,680,077	\$ 874,552	\$ 178,960	\$ 4,255,000	\$ 1,859,038
2026	3,494,828	1,578,725	900,172	153,494	4,395,000	1,732,219
2027	3,600,969	1,471,821	409,031	127,273	4,010,000	1,599,094
2028	3,719,314	1,357,686	420,686	115,618	4,140,000	1,473,303
2029	3,858,173	1,241,563	336,827	103,058	4,195,000	1,344,622
2030-2034	21,496,743	4,204,688	1,868,257	331,168	23,365,000	4,535,856
2035-2039	12,368,035	762,589	806,965	35,993	13,175,000	798,581
2040	695,000	16,506	-	-	695,000	16,506
	<u>\$ 52,613,510</u>	<u>\$ 12,313,655</u>	<u>\$ 5,616,490</u>	<u>\$ 1,045,564</u>	<u>\$ 58,230,000</u>	<u>\$ 13,359,219</u>

Finance Purchase Obligations

The following is an analysis of the financed property under financed purchases by class:

<u>Finance Purchases</u>	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>2024</u>
				<u>Outstanding Balance</u>			<u>Outstanding Balance</u>
KISTA SERIES 2017	\$ 1,633,180	03/01/27	2.55%	\$ 647,530		\$ 169,275	\$ 478,255
KISTA SERIES 2019	1,063,475	03/01/29	3.0%	628,185		107,625	520,560
KISTA SERIES 2020	559,791	03/01/30	2.0%	385,414		54,819	330,595
Copier - AMS	48,034	10/01/24	2-3%	12,204		10,417	1,787
Copier - FY24 AMS	49,790	06/05/29	5%	-	49,790	-	49,790
Copier - BLES FRC	5,140	05/28/25	2-3%	3,372		1,719	1,653
Copier - BLHS	5,495	10/27/23	2-3%	308		308	-
Copier - Bus Garage	4,781	01/03/24	2-3%	531		531	-
Copier - FY24 Instruction - SE	13,498	04/01/29	5%	-	13,498	598	12,900
Copier - FY24 May Valley	33,220	07/05/28	5%	-	33,220	5,487	27,733
Copier - Finance	9,774	01/08/26	2-3%	5,171		1,992	3,179
Copier- Food Service	10,422	02/15/26	2-3%	5,881		2,115	3,766
Copier - HR	8,032	01/25/25	2-3%	2,764		1,720	1,044
Copier - Instruction	8,675	05/23/25	2-3%	2,619		1,829	790
Copier - MVE	30,395	08/25/23	2-3%	1,140		1,140	-
Copier - PES FRC	6,492	06/06/25	2-3%	3,407		1,357	2,050
Copier - PHS	22,761	07/25/25	2-3%	9,751		4,754	4,997
Copier - SF	45,249	05/23/25	2-3%	18,691		9,529	9,162
Copier - Superintendent	38,221	04/19/25	2-3%	13,702		8,084	5,618
Copier - Vehicle 22ZQ2R	22,998	05/25/24	2-3%	4,244		4,244	-
Copier - Vehicle 23BWQ4	24,354	04/19/25	2-3%	9,463		5,087	4,376
Copier - Vehicle 25RWHQ	29,083	05/22/27	2-3%	23,434		5,473	17,961
Copier - Vehicle 232CGB	23,454	05/25/24	2-3%	4,528		4,528	-
Copier - Vehicle 232CGC	24,048	05/25/24	2-3%	4,438		4,438	-
Copier - Vehicle 232CGM	24,039	05/25/24	2-3%	4,743		4,743	-
Copier - Vehicle 232CGR	23,588	05/02/24	2-3%	4,654		4,654	-
Copier - FY24 Superintendent HR	57,134	04/05/29	5%	-	57,134	1,684	55,450
Copier - AES	45,726	04/02/28	5%	44,379		8,325	36,054
Copier - FY 23 PES	79,327	06/20/27	5%	65,004		15,056	49,948
Copier - FY 23 Betsy Layne	57,617	07/08/27	5%	48,101		10,890	37,211
Copier - FY 23 Bus Garage	8,502	12/05/27	5%	7,744		1,574	6,170
Copier - FY 23 DACE	39,740	04/19/28	5%	38,572		7,236	31,336
Copier - FY 23 Floyd CHS	86,132	06/25/28	5%	71,906		16,279	55,627
Copiers - FY24 PHS	\$ 106,509	11/21/28	5%	-	106,509	11,295	95,214
Totals				<u>\$ 2,071,880</u>	<u>\$ 260,151</u>	<u>\$ 488,805</u>	<u>\$ 1,843,226</u>

The following is a schedule by years of the future minimum payments under finance purchases together with the present value of the net minimum payments as of June 30, 2024:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2025	\$ 491,100	\$ 56,669	\$ 547,769
2026	445,343	40,978	486,321
2027	456,887	26,165	483,052
2028	221,285	12,311	233,596
2029	177,996	5,519	183,515
2030	50,615	1,012	51,627
	<u>\$ 1,843,226</u>	<u>\$ 142,654</u>	<u>\$ 1,985,880</u>

Total minimum payments	\$ 1,985,880
Less: Amount representing interest	<u>(142,654)</u>
Present Value of Net Minimum Payments	<u>\$ 1,843,226</u>

In order to secure the payment of all of the Board's obligations under a KISTA Lease, the Board grants to KISTA a security interest constituting a first lien on the Equipment and on all additions, attachments, accessories, and substitutions thereto, and on all proceeds therefrom. In the Event of Default, title to the Equipment shall immediately vest in KISTA, and the Board will immediately surrender possession of the Equipment to KISTA or to KISTA's order; by the execution of this Lease the Board agrees upon demand by KISTA or the Second Trustee, and without order of court, to execute a bill of sale or such other instrument as may be required in favor of KISTA or the Second Trustee in order to permit liquidation of the equipment in an Event of Default by the Board.

Right-of-Use Lease Liabilities

The following is an analysis of the operating leases under right-of-use assets by class as of June, 30, 2024:

<u>Operating Leases (ROU)</u>	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>2023 Outstanding Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>2024 Outstanding Balance</u>
	\$						
Copier - AES	48,719	03/01/2024	2-3%	\$ 8,105	\$ -	\$ 8,105	\$ -
Copier - BLHS	43,887	02/17/26	2-3%	24,763	-	8,902	15,861
Copier - FY24 Stumbo Elem	32,391	11/16/28	5%	-	32,391	4,592	27,799
Copier - HeadStart	10,605	09/10/24	2-3%	2,904	-	2,309	595
Copier - Maintenance	6,276	08/01/24	2-3%	1,608	-	1,373	235
Copier - RLC	10,594	04/04/26	2-3%	6,325	-	2,130	4,195
Copier - Vehicle 23C66Q	28,299	08/14/25	2-3%	12,873	-	5,825	7,048
Copier - Vehicle 23C66V	29,942	08/15/25	2-3%	13,620	-	6,162	7,458
Copier - Vehicle 23 KHMS	27,478	05/22/25	2-3%	10,778	-	5,748	5,030
Copier - Vehicle 2323TP	26,322	04/21/24	2-3%	4,776	-	4,776	-
Copier - Vehicle 2323VB	26,925	05/25/24	2-3%	4,969	-	4,969	-
	\$						
Traverse - Vehicle 25XG22	21,527	4/10/2028	5%	20,773.00	-	3,747	17,026
Totals				<u>\$ 111,494</u>	<u>\$ 32,391</u>	<u>\$ 58,638</u>	<u>\$ 85,247</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following is a schedule by years of the future minimum payments under right-of-use leases together with the present value of the net minimum payments as of June 30, 2024:

Fiscal	Principal	Interest	Total
Year Ended	Local	Local	Payments
30-Jun			
2025	\$ 39,684	\$ 2,956	\$ 42,640
2026	20,937	1,826	22,763
2027	11,037	1,133	12,170
2028	10,697	458.00	11,155
2029	2,892	36.00	2,928
	<u>\$ 85,247</u>	<u>\$ 6,409</u>	<u>\$ 91,656</u>

Right-of-Use Subscription Assets

The following is an analysis of the operating leases under subscription assets by class as of June 30, 2024:

<u>ROU Subscription Liability</u>	Original	Maturity	Interest	2023			2024
	Amount	Dates	Rates	Outstanding Balance	Additions	Retirements	Outstanding Balance
Power School Subscription	\$ 88,362	6/3/2025	5%	\$ 33,386	\$ -	\$ 16,286	\$ 17,100

The following is a schedule by years of the future minimum payments under subscription assets together with the present value of the net minimum payments as of June 30, 2024:

Year	Principal	Interest	Total Payments
2025	\$ 17,100	\$ 855	\$ 17,955

Workers Compensation Liability

The District participates in a self-insurance plan for worker’s compensation. The District provides coverage up to the retention factor of \$250,000 per occurrence. Claims in excess of that amount are covered 100% by an outside insurer for workers’ compensation claims. The activity during fiscal year 2024 for workers compensation liability is as follows:

2023	Claims & Changes	Claims	2024
Outstanding	In Estimates	Payments	Outstanding
Balance	Additions	Retirements	Balance
\$ 1,865,533	\$ 198,862	\$ (557,177)	\$ 1,507,217

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Accumulated Sick Leave

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. The activity during fiscal year 2024 for accumulated sick leave is as follows:

		2023				2024		
		Outstanding	Additions	Retirements		Outstanding		
		Balance				Balance		
Sick Leave	\$	748,056	\$	-	\$	386,530	\$	361,526

KSBIT

The District elected to finance the worker’s compensation insurance deficit (KSBIT) with the now defunct Kentucky School Board Insurance Trust through the Kentucky Inter-local School Transportation Association (KISTA). The activity during fiscal year 2024 for the worker’s compensation and property and liability deficit are as follows:

					2023			2024		
		Original	Maturity	Interest	KISTA			KISTA		
<u>KISTA Issues</u>		<u>Amount</u>	<u>Date</u>	<u>Rates</u>	<u>Outstanding</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding</u>		
KSBIT	\$	1,018,010	8/15/2029	3.0 - 4.0%	\$	547,599	\$	70,870	\$	476,729

The minimum payments are as follows:

Fiscal			
Year Ended	Local	Interest	Total
<u>June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2025	\$ 70,002	\$ 17,407	\$ 87,409
2026	76,704	14,735	91,439
2027	77,692	11,647	89,339
2028	78,516	8,523	87,039
2029	84,169	5,269	89,438
2030	89,646	1,793	91,439
	<u>\$ 476,729</u>	<u>\$ 59,374</u>	<u>\$ 536,103</u>

Net Pension & OPEB Liability

The net pension liability is \$25,126,061 for governmental activities and \$1,192,147 for business-type activities for a total of \$26,318,208 as of June 30, 2024 (See Note E for additional information). The net OPEB liability is \$7,688,000 for governmental activities and \$0 for business-type activities for a total of \$7,688,000 as of June 30, 2024 (See Note F for additional information).

A summary of activity in bond obligations and other debts is as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Description</u>	<u>2023 Outstanding Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>2024 Outstanding Balance</u>	<u>Current</u>
Bonds, net of premium and discount	\$ 61,723,683	\$ -	\$ 4,309,786	\$ 57,513,469	\$ 4,255,000
Finance purchases	2,071,880	260,151	488,805	1,843,226	491,100
Right-of-use assets	111,494	32,391	58,638	85,247	39,684
Subscription assets	33,386		16,286	17,100	17,100
Workers compensation	1,865,533	198,862	557,177	1,507,217	-
Sick leave	748,056		386,530	361,526	-
KSBIT	547,599		70,870	476,729	70,002
Net pension liability	27,224,225		906,017	26,318,208	-
Net OPEB liability	19,264,923		11,576,923	7,688,000	-
Total	\$ 113,590,779	\$ 491,404	\$ 18,371,032	\$ 95,810,722	\$ 4,872,786

NOTE E – RETIREMENT PLANS

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

Teachers Retirement System Kentucky (TRS)

Retirement Annuity Trust

Plan description

Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers’ Retirement System of the State of Kentucky—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. 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 <http://www.trs.ky.gov/financial-reports-information>.

Benefits provisions

For Members before July 1, 2008: Members become vested when they complete five years of credited service. To qualify for monthly benefits, payable for life, members must either:

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

Non-university members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

than 10 years. New members after July 1, 2002, who retire with 10 or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

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

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

1. Attain age 60 and complete 5 years of Kentucky service, or
2. Complete 27 years of Kentucky service, or
3. Attain age 55 and complete 10 years of Kentucky service.

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

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

For Members on and after January 1, 2022:

Condition for Retirement Attainment of age 57 and 10 years of service or attainment of age 65
And 5 years of service.

Amount of Allowance

Foundational Benefit The annual foundational benefit for members is equal to service times
A multiplier times final average salary:

SEE SCHEDULE NEXT PAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 on the date the member would have completed 30 Years of service.

Supplemental Benefit

The annual supplemental benefit is equal to the account balance which Includes member and employer contributions and interest credited Annually on June 30. Options include annuitizing the balance or receiving The balance as a lump sum either at the time of retirement or at a later date.

**Disability Retirement Allowance
Condition for Allowance**

Totally and permanently incapable of being employed as a teacher and Under age 60 but after completing 5 years of service

Amount of Allowance

The disability allowance is equal to the greater of the service retirement Allowance or 60% of the member's final average salary. The disability Allowance is payable over an entitlement period equal to 25% of the service Credited to the member at the date of the disability or 5 years, whichever is Longer. After the disability entitlement period has expired and if the Member remains disabled, he will be retired under service retirement. The Service retirement allowance will be computed with service credit given For the period of disability retirement. The allowance will not be less than \$6,000 per year. The service retirement allowance will not be reduced for Commencement of the allowance before age 60 or the completion of 27 Years of service.

**Benefits Payable on Separation
From Service**

Any member who ceases to be in service is entitled to receive his Contributions with allowable interest. A member who has completed 5 Years of creditable service and leaves his contributions with the System May be continued in the membership of the System after separation from Service, and file application for service retirement after the attainment of Age 60.

Life Insurance

A separate Life Insurance fund has been created as June 30, 2000 to pay

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Death Benefits

Benefits on behalf of deceased TRS active and retired members.

A surviving spouse of an active member with less than 10 years of service May elect to receive an annual allowance of \$2,880 except that if income From other sources exceeds \$6,600 per year the annual allowance will be \$2,160.

A surviving spouse of an active member with 10 or more years of service May elect to receive an allowance which is the actuarial equivalent of the Allowance the deceased member would have received upon retirement. The allowance will commence on the date the deceased member would have Been eligible for service retirement and will be payable during the life of The spouse. If the deceased member is survived by unmarried children under age 18 the following schedule of annual allowances applies:

Number of Children	Annual Allowance
1	\$ 2,400
2	\$ 4,080
3	\$ 4,800
4 or more	\$ 5,280

The allowances are payable until a child attains age 18, or age 23 if a Full-time student.

If the member has no eligible survivor, a refund of his accumulated Contributions is payable to his estate.

Options

In lieu of the regular Option 1, a retirement allowance payable in the Form of a life annuity with refundable balance, any member before Retirement may elect to receive a reduced allowance which is actuarially Equivalent to the full allowance, in one of the following forms:

Option 2. A single life annuity payable during the member's lifetime with Payments for 10 years certain.

Option 3. At the death of the member his allowance is continued throughout The life of the beneficiary.

Option 3(a). At the death of the beneficiary designated by the member Under Option 3, the member's benefit will revert to what would have been paid had he not selected an option.

Option 4. At the death of the member one half of his allowance is Continued throughout the life of the beneficiary.

Option 4(a). At the death of the beneficiary designated by the member Under Option 4, the member's benefit will revert to what would have been Paid had he not selected an option.

Post-Retirement Adjustments

The retirement allowance of each retired member and of each beneficiary Shall be increased by 1.5% each July 1.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Member Contributions

Members before 1/1/2022	9.105% of salary to the Retirement System.
Members on and after 1/1/2022	9% of salary to the Retirement System and an additional 2% of salary to the Supplemental benefit account. Employers also contributes 2%.

Contributions

Contribution rates are established by Kentucky Revised Statutes (KRS). Employees are required to contribute 9.105% of their salaries to the system. Members after January 1, 2022 contribute 7.00% of salary to the system. The state, as a non-employer contributing entity, pays matching contributions in the amount of 13.105% of salaries for local school district employees hired before July 1, 2008 and 14.105% for those who joined thereafter. Contributions for local school district employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

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

The District did not report a liability for the District's proportionate share of the net pension liability, pension expense, and deferred inflows and outflows of resources because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The net pension liability that was associated with the District follows.

State's proportionate share of the TRS net pension liability associated with the District	\$ 101,527,049
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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 June 30, 2022. 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. The District's proportion was 0.595800%.

Actuarial Methods and Assumptions

A summary of the actuarial assumptions of the latest actuarial valuation follows.

Valuation Date	June 30, 2022
Prior Measurement Date	June 30, 2022
Measurement Date	June 30, 2023
Reporting Date	June 30, 2024
Actuarial Cost Method	Entry age
Inflation Rate	2.5%
Single Equivalent Interest Rate Prior	7.10%
Single Equivalent Interest Rate at Measurement Date	7.10%
Municipal Bond Index Rate Prior	3.37%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Municipal Bond Index Rate at Measurement Date	3.66%
Projected Salary Increase	3.0-7.5%, including inflation
Long-Term Expected Rate of Return	7.10

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

Target Allocations

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

A summary of the target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, follows.

Asset Class	Target Allocation	Long-Term Expected Rates of Return
Large Cap US Equity	35.4 %	5.0 %
Small Cap Equity	2.6 %	5.5 %
Developed International Equity	15.7 %	5.5 %
Emerging Markets Equity	5.3 %	6.1 %
Fixed Income	15.0 %	1.9 %
High Yield Bonds	5.0 %	3.8 %
Other Additional Categories	5.0 %	3.6 %
Real Estate	7.0 %	3.20 %
Private Equity	7.0 %	8.0 %
Cash	2.0 %	1.6 %
	100 %	
Total	100 %	

Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

will be made at the current contribution rates and the employer contributions will be made at the Actuarially Determined Contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
State's proportionate share of net pension liability	\$ 130,450,873	\$ 101,527,049	\$ 77,428,470

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report which is publically available at <http://www.TRS.ky.gov/>.

County Employees Retirement System

Non-Hazardous

Plan description

Substantially all full-time classified employees of the District participate in the County Employees Retirement System (“CERS”). CERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky General Assembly and overseen by the Kentucky Public Pensions Authority (KPPA). The plan covers substantially all regular full-time members employed in non-hazardous duty positions of the school board. The plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

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

Benefits provided

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

Contributions

Funding for CERS:

Tier I plan is provided by members, who contribute 5.00% of their creditable compensation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Tier II plan members hired after September 1, 2008 contribute 6.00% of their creditable compensation. Further, 1% of these contributions are deposited to an account created for the payment of health insurance benefits.

Tier III plan members, who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. That plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Employee contributions to the plan are the same as the Tier II contributions. Tier III member accounts are also credited with an employer pay credit in the amount of 4% of the member's creditable compensation.

For the year ending June 30, 2024, employers were required to contribute 23.34% of the member's salary, 23.34% pension and 0% for insurance. The District contributed \$2,524,090 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 on an actuarial valuation as of that date. The District's proportion of the net pension liability, \$26,318,208 was based on contributions to CERS during the fiscal year ended June 30, 2023. The District's proportion was 0.410164%.

Deferred Inflows and Outflows of Resources, and Pension Expense included in the Schedule of Pension Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule of Pension Amounts does not include deferred outflow/inflows of resources for changes in the employer's proportionate share of contribution or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2024, is based on the June 30, 2023, actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are amortized over a closed five-year period.

The District recognized pension expense of \$375,925 and reported deferred outflows of resources and deferred inflows of resources related to pensions as follows.

SEE SCHEDULE NEXT PAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,362,443	71,514
Changes of assumptions	-	2,412,082
Net difference between projected and actual earnings on pension plan investments	2,843,112	3,202,107
Changes in proportion and differences between District contributions and proportionate share of contributions	1,337,868	5,336
District contributions subsequent to the measurement date	2,524,090	-
	\$ 8,067,511	\$ 5,691,040

The \$2,524,090 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 following year.

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

Year 1	\$ 190,753
Year 2	(671,112)
Year 3	587,529
Year 4	(254,786)
	\$ (147,619)

Actuarial Valuation

KPPA's actuary, Gabriel, Roeder, Smith & Co., completed the actuarial valuation for the calculation of the employer contribution rates for CERS and the Insurance Fund for the period ended June 30, 2023.

Summary of Actuarial Assumptions

The results of the actuarial valuation are based upon the assumptions and funding policies adopted by the Board and statutory funding requirements. The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2023:

Valuation Date	June 30, 2021
Experience Study	July 1, 2018 to June 30, 2022
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 recognized

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Amortization Method	Level Percent of Pay
Remaining Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Asset Valuation Method	Actuarial value of assets is recognized
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 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
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Phase-in Provision	HB 362 enacted in 2018

Discount rate

A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments.

Sensitivity of the District’s proportionate share of net pension liability to changes in the discount rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) 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	\$ 33,228,327	\$ 26,318,208	\$ 20,575,639

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below for CERS Pension and Insurance Funds:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50 %	5.9 %
Private Equity	10 %	11.73 %
Fixed Income		
Core Fixed Income	10 %	2.45 %
Specialty Credit	10 %	3.65 %
Cash	0 %	1.39 %
Inflation Protected		
Real Estate	7 %	4.99 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Real Return

13 %

5.15 %

Expected Real Return is 5.75%. Long Term Inflation Assumption is 2.5%. Expected Nominal Return of Portfolio is 8.25%.

Pension plan fiduciary net position

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

Payables to the pension plan

There are no payables to CERS.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District's employees participate in retirement systems of either TRS or CERS as described earlier. The following describes the other postemployment benefits for both systems.

TRS – General Information about the OPEB Plans

Health Insurance Trust (Medical Insurance Fund)

Plan description

In addition to the retirement annuity plan as described earlier, KRS 161.675 requires TRS to provide postemployment healthcare benefits to eligible members and dependents. The TRS Health Insurance Trust is funded by employer and member contributions. Changes made to the medical plans provided through the trust may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Medical coverage through TRS is funded by a combination of contributions from employees, the state and other employers. Coverage is provided through an account established pursuant to 26 U.S.C. sec. 401(h) and 115 trust fund that went into effect on July 1, 2010. The insurance trust fund includes employer and retired member contributions required under KRS 161.550 and KRS 161.675(4) (b).

Benefits provided

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

Contributions

Contributions are made on behalf of TRS retired members toward payment of health insurance premiums. The amount of the member's contribution is based on a table approved by the TRS board.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Retired members pay premiums in excess of the monthly contribution. The Commonwealth of Kentucky bears risk for excess claims expenses that exceed the premium equivalents charged for the KEHP. The member postemployment medical contribution is 3.75% of salary. The employer postemployment medical contribution is 0.75% of member salaries.

Effective July 1, 2010, retirees under the age of 65 began a three-year phase-in of the Shared Responsibility Contribution. Effective July 1, 2012, the full Shared Responsibility Contribution equals the Standard Medicare Part B premium paid by retirees ages 65 and older.

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

The District reported a liability of \$7,688,000 for its proportionate share of the collective net OPEB liability (NOL). The collective net OPEB liability was valued 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. The District's proportion was .315651%.

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 as follows:

District's proportionate share of TRS net OPEB liability	\$	7,688,000
State's proportionate share of the TRS net OPEB liability associated with the District		6,480,000
	\$	14,168,000

The District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following.

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	-	\$	2,606,000
Changes of assumptions		1,748,000		-
Net difference between projected and actual earnings on pension plan investments		144,000		-
Changes in proportion and differences between District contributions and proportionate share of contributions		4,532,000		6,114,000
District contributions subsequent to the measurement date		564,773		-
	\$	6,988,773	\$	8,720,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The \$564,773 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 collective net OPEB liability for the year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

	Year Ended June 30,
Year 1	\$ (782,000)
Year 2	(682,000)
Year 3	(171,000)
Year 4	(31,000)
Year 5	(228,000)
Thereafter	(402,000)
	\$ (2,296,000)

Actuarial Methods and Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation follows.

Actuarial Cost Method	Entry age normal
Valuation Date	June 30, 2022
Discount Rate	7.10%
Amortization Period	Level percentage of payroll
Amortization Method	21 years, closed
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Real Wage Growth	2.75%
Wage Inflation	2.75%
Salary Increase	7.5%, 1 year of service to 3.0%, greater than 17 years of service
Health Care Cost Trends	
Medical	6.75% at June 30, 2023, decreasing to an ultimate rate of 4.5% by June 30, 2034
Medicare Part B	1.55% at June 30, 2023 with an ultimate rate of 4.5% by June 30, 2034

Mortality rates were based on the Teachers Mortality Table, and set forward two years for males and multiplied by 102%. Rates for females are set forward 2 years and multiplied by 101%. Disabled male members are set forward 1 year and multiplied by 96%. Rates for female members are set back 2 years and multiplied by 94%.

Target Allocations

The long-term expected rate of return on OPEB investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap US Equity	35.4 %	5.0 %
Small Cap US Equity	2.6 %	5.5 %
Developed International Equity	15.0 %	5.5 %
Emerging Markets Equity	5.0 %	6.1 %
Fixed Income	9.0 %	1.9 %
High Yield Bonds	8.0 %	3.8 %
Other Additional Categories	9.0 %	3.7 %
Real Estate	6.5 %	3.2 %
Private Equity	8.5 %	8.0 %
Cash	1.0 %	1.6 %
Total	100 %	

Discount Rate

The discount rate used to measure the TOL as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 74. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010, were assumed to be paid by either the state or the retirees themselves.
- As administrative expenses, other than the administrative fee of \$8.00 per member per month (PMPM) paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.
- Future contributions to the Health Insurance Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the health trust achieves a sufficient funded status, as determined by TRS's actuary, the following health trust statutory contributions are to be decreased, suspended, or eliminated:
 - Employee Contributions
 - Employer Contributions
 - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Based on these assumptions, the Health Insurance Trust’s fiduciary net position (FNP) was not projected to be depleted.

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

	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 9,889,000	\$ 7,688,000	\$ 5,869,000

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 5,535,000	\$ 7,688,000	\$ 10,369,000

Life Insurance Trust

Plan description and benefits provided

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The benefit is financed by actuarially determined contributions from the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

207 participating employers. The benefit is \$5,000 for members who are retired for service or disability, and \$2,000 for active contribution members.

Note: Members employed on a substitute or part-time basis and working at least 69% of a full contract year in a single fiscal year will be eligible for a life insurance benefit for the balance of the fiscal year or the immediately succeeding fiscal year under certain conditions. For non-vested members employed on a substitute or part-time basis, the life insurance benefit is provided if death occurs as the result of a physical injury on the job. For vested members employed on a substitute or part-time basis, death does not have to be the result of a physical injury on the job for life insurance benefits to be provided.

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.

Net OPEB Liability

The District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District as follows:

State's proportionate share of the TRS net OPEB liability associated with the District	\$	160,000
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Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below.

Actuarial Cost Method	Entry age normal
Valuation Date	June 30, 2022
Discount Rate	7.10%
Amortization Period	Level percentage of payroll
Amortization Method	21 years, closed
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Real Wage Growth	2.75%
Wage Inflation	2.75%
Salary Increase	7.5%, 1 year of service to 3.0%, greater than 17 years of service
Health Care Cost Trends	
Medical	6.75% at June 30, 2023, decreasing to an ultimate rate of 4.5% by June 30, 2034
Medicare Part B	1.55% at June 30, 2023 with an ultimate rate of 4.5% by June 30, 2034

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB, and set forward two years for males and one year for females is used for the period after

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five year period ending June 30, 2015.

The remaining actuarial assumptions used in the June 30, 2019, valuation of the health trust were based on a review of recent plan experience done concurrently with the June 30, 2019, valuation. The health care cost trend rate assumption was updated for the June 30, 2019, valuation and was shown as an assumption change in the total OPEB liability (TOL) roll forward while the change in initial per capital claims costs were included with experience in the TOL roll forward.

The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20 year Municipal Bond index pushed weekly by the Board of Governors of the Federal Reserve System.

Target Allocations

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	40.0 %	5.2 %
Developed International Equity	15.0 %	5.5 %
Emerging Markets Equity	5.0 %	6.1 %
Fixed Income	21.0 %	1.9 %
Other Additional Categories	5.0 %	4.0 %
Real Estate	7.0 %	3.2 %
Private Equity	5.0 %	8.0 %
Cash	2.0 %	1.6 %
Total	100 %	

As the Life Trust investment policy is to change, the above reflects the pension allocation and returns that achieve the targeted 8.00% long-term rate of return.

Discount Rate

The discount rate used to measure the total OPEB liability (TOL) as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 74. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to actuarial methods and assumptions of the June 30, 2021, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Revenue or Expenses for TRS OPEB plans

For the year ended June 30, 2023, the District recognized OPEB revenue in the amount of \$1,264,403 for support provided on-behalf of the State.

CERS – General Information about the OPEB Plans

Employees' Health Plan

Plan description

The Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits. CERS Non-hazardous Insurance Plan is a cost-sharing multiple employer defined benefit Other Postemployment Benefits (OPEB) plan. The plan covers all regular full-time members employed in non-hazardous duty positions of the school board. OPEB may be extended to beneficiaries of plan members under certain circumstances.

Benefits provided

The Plan provides hospital and medical insurance for eligible members receiving benefits. The Insurance Fund will pay the cost of insurance premium for participating members prior to July 1, 2003 greater than 4 years of service, 25%, greater than 10 years of service, 50%, greater than 15 years of service, 75%, and greater than 20 years of service, 100%. For participating members after July 1, 2003 the benefit paid by the Insurance Fund is based on years of service the dollar amount per year of service is \$13.99 to be applied to the current cost premium.

Contributions

Requirements for medical benefits are a portion of the actuarially determined rates of covered payroll, as disclosed above. Current employees pay 1% toward the insurance fund.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The District reported an asset of \$566,278 for its proportionate share of the collective net OPEB liability which is .410148%.

Deferred Inflows and Outflows of Resources, and OPEB Expense included in the Schedules of OPEB Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedules of OPEB Amounts do not include deferred outflow/inflows of resources for changes in the employer’s proportionate share of contributions or employer contributions made subsequent to the measurement date. The total OPEB liability, net OPEB liability (NOL), and sensitivity information are based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan’s fiscal year ended June 30, 2023, using generally accepted actuarial principles.

For the year ended June 30, 2024, the District recognized OPEB revenue of \$1,334,945. The District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 394,781	\$ 8,040,579
Changes of assumptions	1,114,395	776,622
Net difference between projected and actual earnings on pension plan investments	1,059,767	1,191,189
Changes in proportion and differences between District contributions and proportionate share of contributions	672,786	60,943
District contributions subsequent to the measurement date	<u>339,802</u>	<u>-</u>
	\$ <u><u>3,581,531</u></u>	\$ <u><u>10,069,333</u></u>

The \$339,802 (includes \$184,960 Implicit Subsidy) 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 collective net OPEB liability for the following year. 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.

SEE SCHEDULE NEXT PAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	<u>Year Ended June 30,</u>
Year 1	\$ (1,589,853)
Year 2	(2,128,049)
Year 3	(1,613,739)
Year 4	<u>(1,495,963)</u>
	<u>\$ (6,827,604)</u>

Implicit Employer Subsidy for non-Medicare retirees- The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 74 and 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

Changes of Benefit Terms

None

Actuarial Methods and Assumptions to Determine the Total OPEB Liability and the Net OPEB Liability

For financial reporting, the actuarial valuation as of June 30, 2023, was performed by Gabriel Roeder Smith (GRA). The total OPEB liability, net OPEB liability, and sensitivity information, were based on an actuarial valuation as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation to the plan's fiscal year ending June 30, 2023, using the generally accepted actuarial principles.

The following actuarial assumptions were used in performing the actuarial valuation:

Valuation Date	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 recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 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
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investment Rate of Return	6.25%
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 Trend Rates	
Pre-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.

Senate Bill 209 passed in the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by \$5 for each year of service each member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. House Bill 506 adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance from three months to one month under all circumstances.

Discount rate

Single discount rates of 5.93% were used to measure the total OPEB liability as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.5%, 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, the plan's fiduciary net position on 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.

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

The following table presents the Net OPEB Liability calculated using the discount rate of 5.93%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	1% Decrease	Current Discount Rate	1% Increase
	4.93%	5.93%	6.93%
District's proportionate share of net OPEB liability	\$ 1,062,687	\$ (566,278)	\$ (1,930,337)

Health Care Trend Rate Sensitivity

The following presents the health care sensitivity rate of the District's proportionate share of the net pension liability calculated using the discount rate of 5.93%, 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 (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ (1,815,019)	\$ (566,278)	\$ 967,683

OPEB plan fiduciary net position

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

NOTE G – COMMITMENTS

The District has commitments of \$20,170,317 as of June 30, 2024, for future construction projects. Also, the Student Activity Fund has \$534,700.65 committed for student activities and the District Activity Fund has \$36,052 committed for district activities.

NOTE H - CONTINGENCIES

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

NOTE I - LITIGATION

The District has no pending or threatened litigation involving amounts exceeding \$10,000 individually or in the aggregate as of June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE J – 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, illegal acts etc. Each of these risk areas is covered through the purchase of commercial insurance and self-insured workers compensation.

NOTE K – RISK MANAGEMENT

The District is exposed to various risks of loss related to illegal acts, torts, theft/damage/destruction of assets, errors and omissions, injuries to employees, and natural disasters. To obtain insurance for unemployment, errors and omission, and general liability coverage, the District purchased commercial insurance policies and a self-insured workers compensation plan.

NOTE L – DEFICIT FUND AND OPERATING BALANCES

The following funds had a deficit change in fund balance/net position:

<u>Fund</u>	<u>Change in Net Position/Net Change in Fund Balance</u>
General Fund	\$ (1,333,066)
School Food Service	(107,104)
Other Proprietary	(4,225)
Student Activity	\$ (27,384)

NOTE M – COBRA

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

NOTE N – TRANSFER OF FUNDS

The following transfers were made during the year:

SEE SCHEDULE NEXT PAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
Operations	General Fund	Special Revenue Fund	KETS Matching	\$ 88,132
Construction	General Fund	Construction Fund	Construction	308,344
Construction	Special Revenue	Construction Fund	Construction	6,660,351
Construction	Building Fund	Construction Fund	Construction	434,959
Construction	Construction Fund	Construction Fund	Construction	8,204
Debt Service	Capital Outlay Fund	Debt Service Fund	Debt Payments	504,109
Debt Service	Building Fund	Debt Service Fund	Debt Payments	4,550,975
Operations	Food Service	General Fund	Indirect Costs	255,185
Operations	Special Revenue	General Fund	Indirect Costs	\$ 114,980

NOTE O – RESTRICTED FUND BALANCES

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
Construction	\$ 12,449,942	Future Construction
Day Care	41,377	Day Care Operations
Capital Outlay	283,270	SFCC Requirements
FSPK	\$ 41,647	SFCC Requirements

NOTE P – ON-BEHALF PAYMENTS

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

<u>Plan/Description</u>	<u>Amount</u>
Kentucky Teachers Retirement System (GASB 68 & 75)	\$ 6,627,052
Health Insurance	6,767,387
Life Insurance	10,789
Administrative Fee	86,184
HRA/Dental/Vision	513,013
Federal Reimbursement	(1,434,691)
Technology	129,247
SFCC Debt Service Payments	1,182,497
Total	\$ <u>13,881,478</u>

These amounts are included in the financial statements as state revenue and an expense allocated to the different functions in the same proportion as full-time employees.

NOTE Q – DONATED PROPERTY

The U.S. Army Corp of Engineers and the Floyd County Fiscal Court entered into a Project Cooperation Agreement to construct the Floyd County Board Of Education’s Renaissance Learning Center in Fiscal Year 2016. On July 25, 2022 the Renaissance Learning Center was completed. The property is in the process of being donated to the District as of June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE R – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2024, the date the financial statements were available to be issued.

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CERS and TRS

For the year ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):									
Districts' proportion of the net pension liability	0.410164%	0.394219%	0.366024%	0.370460%	0.33132%	0.33132%	0.34986%	0.363830%	0.37033%
District's proportionate share of the net pension liability	\$ 26,318,208	\$ 28,498,145	\$ 23,336,901	\$ 28,413,975	\$ 24,211,115	\$ 20,178,641	\$ 20,478,148	\$ 17,476,584	\$ 15,642,816
State's proportionate share of the net pension liability associated with the District	-	-	-	-	-	-	-	-	-
Total	\$ 26,318,208	\$ 28,498,145	\$ 23,336,901	\$ 28,413,975	\$ 24,211,115	\$ 20,178,641	\$ 20,478,148	\$ 17,476,584	\$ 15,642,816
District's covered-employee payroll	\$ 11,903,858	\$ 10,900,626	\$ 9,349,189	\$ 9,478,251	\$ 8,677,251	\$ 8,209,381	\$ 8,525,285	\$ 8,576,919	\$ 8,486,022
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	221.09%	261.44%	249.61%	299.78%	279.02%	245.80%	240.20%	203.76%	184.34%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.54%	53.54%	53.30%	59.00%	59.97%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):									
Districts' proportion of the net pension liability	0.59580%	0.65600%	0.49730%	0.67230%	0.726%	0.726%	0.756%	0.774%	0.773%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	101,527,049	111,143,739	64,710,521	95,286,973	97,999,201	95,076,608	203,947,183	228,349,125	179,859,188
Total	\$ 101,527,049	\$ 111,143,739	\$ 64,710,521	\$ 95,286,973	\$ 97,999,201	\$ 95,076,608	\$ 203,947,183	\$ 228,349,125	\$ 179,859,188
District's covered-employee payroll	\$ 29,021,316	\$ 26,089,447	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431	\$ 26,444,203	\$ 26,686,750	\$ 26,483,619
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.22%	42.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
CERS and TRS
For the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):									
Contractually required contribution	\$ 2,524,090	\$ 3,053,514	\$ 2,819,853	\$ 2,151,515	\$ 2,148,571	\$ 1,795,317	\$ 1,517,121	\$ 1,614,476	\$ 1,463,221
Contributions in relation to the contractually required contributions	<u>2,524,090</u>	<u>3,053,514</u>	<u>2,819,853</u>	<u>2,151,515</u>	<u>2,148,571</u>	<u>1,795,317</u>	<u>1,517,121</u>	<u>1,614,476</u>	<u>1,463,221</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 11,476,798	\$ 11,903,858	\$ 10,900,626	\$ 9,349,189	\$ 9,478,251	\$ 8,677,251	\$ 8,209,381	\$ 8,525,285	\$ 8,576,919
District's contributions as a percentage of it's covered-employee payroll	21.99%	25.65%	25.87%	23.01%	22.67%	20.69%	18.48%	18.94%	17.06%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):									
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 26,481,804	\$ 29,021,316	\$ 26,089,447	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431	\$ 26,444,203	\$ 26,686,750
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
For the year ended June 30, 2024

Teachers Retirement System (TRS)

Retirement Annuity Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the 2023 Actuary Report of the TRS.

Changes of assumptions

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS

For the year ended June 30, 2024

A summary of the actuarial assumptions of the latest actuarial valuation follows.

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry age
Inflation Rate	2.5%
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	3.66%
Projected Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.10%, net of pension plan investment expense, including inflation.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
 For the year ended June 30, 2024

County Employee Retirement System (CERS)

Non-Hazardous

Changes of Benefit Terms

None.

Changes of assumptions

None.

Actuarial Methods and Assumptions

Based on the actuarial valuation report, the actuarial methods and assumptions used to calculate the contribution rates are as follows.

Valuation Date	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 recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses
incurring	After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality experience	System-specific mortality table based on mortality
MP2014	From 2013-2018, projected with the ultimate rates from
Phase-In Provision rate	Mortality improvement scale using a base year of 2019 Board certified rate is phased into the actuarially determined
Inflation	In accordance with HB 362 enacted in 2018
Payroll Growth Rate	2.30%
Salary Increase	2.0%
Investment Rate of Return	3.30% to 10.30%, varies by service
	6.25%

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MEDICAL AND LIFE INSURANCE PLANS - TEACHERS' RETIREMENT SYSTEM
Year ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
MEDICAL INSURANCE PLAN							
District's proportion of the collective net OPEB liability (asset)	\$ 0.315651%	\$ 0.476705%	\$ 0.267370%	\$ 0.362680%	\$ 0.38565%	\$ 0.37774%	\$ 0.40262%
District's proportionate share of the collective net OPEB liability (asset)	7,688,000	11,834,000	5,737,000	9,153,000	11,287,000	13,106,000	14,357,001
State's proportionate share of the collective net OPEE liability (asset) associated with the District	<u>6,480,000</u>	<u>3,888,000</u>	<u>4,659,000</u>	<u>7,332,000</u>	<u>9,115,000</u>	<u>11,295,000</u>	<u>11,727,000</u>
Total	<u>\$ 14,168,000</u>	<u>\$ 15,722,000</u>	<u>\$ 10,396,000</u>	<u>\$ 16,485,000</u>	<u>\$ 20,402,000</u>	<u>\$ 24,401,000</u>	<u>\$ 26,084,001</u>
District's covered-employee payroll	\$ 28,850,846	\$ 28,850,846	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431	\$ 26,444,203
District's proportionate share of the collective net OPEE liability (asset) as a percentage of its covered-employee payroll	55.77%	55.77%	55.77%	55.77%	55.77%	55.77%	54.29%
Plan fiduciary net position as a percentage of the total OPEB liability	52.97%	47.75%	39.05%	39.10%	32.60%	25.50%	21.20%
LIFE INSURANCE PLAN							
District's proportion of the collective net OPEB liability (asset)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
District's proportionate share of the collective net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEE liability (asset) associated with the District	<u>160,000</u>	<u>193,000</u>	<u>62,000</u>	<u>222,000</u>	<u>212,000</u>	<u>194,000</u>	<u>157,000</u>
Total	<u>\$ 194,000</u>	<u>\$ 194,000</u>	<u>\$ 194,000</u>	<u>\$ 194,000</u>	<u>\$ 194,000</u>	<u>\$ 194,000</u>	<u>\$ 157,000</u>
District's covered-employee payroll	\$ 28,850,846	\$ 28,850,846	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431	\$ 26,444,203
District's proportionate share of the collective net OPEE liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	76.91%	73.97%	71.57%	71.60%	73.40%	75.00%	80.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
MEDICAL AND LIFE INSURANCE PLANS
TEACHERS' RETIREMENT SYSTEM
For the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
MEDICAL INSURANCE PLAN							
Contractually required contribution	\$ 564,773	\$ 414,370	\$ 430,500	\$ 474,754	\$ 640,734	\$ 670,991	\$ 673,620
Contributions in relation to the contractually required contribution	<u>564,773</u>	<u>414,370</u>	<u>430,500</u>	<u>474,754</u>	<u>640,734</u>	<u>670,991</u>	<u>673,620</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 28,850,846	\$ 28,850,846	\$ 28,850,846	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431
District's contributions as a percentage of it's covered-employee payroll	1.96%	1.44%	1.49%	1.82%	2.54%	2.61%	2.62%
LIFE INSURANCE PLAN							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 28,850,846	\$ 28,850,846	\$ 28,850,846	\$ 26,089,447	\$ 25,230,749	\$ 25,685,195	\$ 25,745,431
District's proportionate share of the net pension liability as a percentage of it's covered-employee payrol	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - HEALTH INSURANCE PLAN
COUNTY EMPLOYEE RETIREMENT SYSTEM
For the year ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
HEALTH INSURANCE PLAN							
District's proportion of the collective net OPEB liability (asset)	0.410148%	0.394152%	0.365939%	0.370355%	0.34416%	0.33131%	0.34986%
District's proportionate share of the collective net OPEB liability (asset)	\$ (566,278)	\$ 7,778,643	\$ 7,005,719	\$ 8,942,947	\$ 5,788,599	\$ 5,882,361	\$ 7,033,302
State's proportionate share of the collective net OPEB liability (asset) associated with the District	-	-	-	-	-	-	-
Total	<u>\$ (566,278)</u>	<u>\$ 7,778,643</u>	<u>\$ 7,005,719</u>	<u>\$ 8,942,947</u>	<u>\$ 5,788,599</u>	<u>\$ 5,882,361</u>	<u>\$ 7,033,302</u>
District's covered-employee payroll	\$ 11,903,858	\$ 10,900,626	\$ 9,349,189	\$ 9,478,251	\$ 8,677,251	\$ 8,209,381	\$ 8,525,285
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	-4.76%	71.36%	74.93%	94.35%	66.71%	71.65%	82.50%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	13.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE PLAN
COUNTY EMPLOYEE RETIREMENT SYSTEM
For the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
HEALTH INSURANCE PLAN							
Contractually required contribution	\$ 339,802	\$ 467,771	\$ 403,503	\$ 351,465	\$ 256,097	\$ 184,622	\$ 160,780
Contributions in relation to the contractually							
	<u>339,802</u>	<u>467,771</u>	<u>403,503</u>	<u>351,465</u>	<u>256,097</u>	<u>184,622</u>	<u>160,780</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 11,476,798	\$ 11,903,858	\$ 10,900,626	\$ 9,349,189	\$ 9,478,251	\$ 8,677,251	\$ 8,209,381
District's contributions as a percentage of it's covered-employee payroll	2.96%	3.93%	3.70%	3.76%	2.70%	2.13%	1.96%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
 For the year ended June 30, 2024

Teachers Retirement System (TRS)

Health Insurance Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in the 2023 Actuary Report of the TRS.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated as of June 30, 2019. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule.

Actuarial Cost Method	Entry age normal
Valuation Date	June 30, 2022
Discount Rate	7.10%
Amortization Period	Level percentage of payroll
Amortization Method	21 years, closed
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Real Wage Growth	2.75%
Wage Inflation	2.75%
Salary Increase	7.5%, 1 year of service to 3.0%, greater than 17 years of service
Health Care Cost Trends	
Medical	6.75% at June 30, 2023, decreasing to an ultimate rate of 4.5% by June 30, 2034
Medicare Part B	1.55% at June 30, 2023 with an ultimate rate of 4.5% by June 30, 2034

Life Insurance Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in the 2023 Actuary Report of the TRS.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule.

Actuarial Cost Method	Entry age normal
Valuation Date	June 30, 2022

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

For the year ended June 30, 2024

Discount Rate	7.10%
Amortization Period	Level percentage of payroll
Amortization Method	21 years, closed
Asset Valuation Method	Market Value of Assets
Price Inflation	2.5%
Real Wage Growth	2.75%
Wage Inflation	2.75%
Salary Increase	7.5%, 1 year of service to 3.0%, greater than 17 years of service
Health Care Cost Trends	
Medical	6.75% at June 30, 2023, decreasing to an ultimate rate of 4.5% by June 30, 2034
Medicare Part B 2034	1.55% at June 30, 2023 with an ultimate rate of 4.5% by June 30, 2034

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

For the year ended June 30, 2024

County Employee Retirement System (CERS)

Non-Hazardous

Changes of Benefit Terms

None

Changes of assumptions

None.

Actuarial Methods and Assumptions

Based on the actuarial valuation report, the actuarial methods and assumptions used to calculate the contribution rates are as follows.

Valuation Date	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 recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 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
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
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 Trend Rates	
Pre-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.

Floyd County School District
Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Other Governmental Funds				
	Special Revenue Student Activity	Capital Outlay	FSPK Fund	Special Revenue District Activity	Total
Assets					
Cash and cash equivalents	\$ 533,923	\$ 283,270	\$ 41,647	\$ 36,603	\$ 895,443
Accounts receivable	778				778
Total assets	534,701	283,270	41,647	36,603	896,221
Liabilities					
Accounts payable				551	551
Total liabilities	-	-	-	551	551
Fund Balance					
Restricted		283,270	41,647		324,917
Committed	534,701			36,052	570,753
Total fund balance	534,701	283,270	41,647	36,052	895,670
TOTAL LIABILITIES AND FUND BALANCE	\$ 534,701	\$ 283,270	\$ 41,647	\$ 36,603	\$ 896,221

Floyd County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds
For the year ended June 30, 2024

	Other Governmental Funds				
	Special Revenue Student Activity	Capital Outlay	FSPK Fund	Special Revenue District Activity	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 1,983,500	\$ -	\$ 1,983,500
Earnings on investments		16,412	1,637		18,049
Student activities	1,020,224			37,912	1,058,136
Food service	544,272				544,272
Other local revenue	58,393				58,393
Intergovernmental - state					
	<u>1,622,889</u>	<u>491,939</u>	<u>3,014,604</u>	<u>37,912</u>	<u>3,506,543</u>
Total revenues	<u>1,622,889</u>	<u>508,351</u>	<u>4,999,741</u>	<u>37,912</u>	<u>7,168,893</u>
Expenditures					
Instruction	1,404,925			24,032	1,428,957
Support Services					
Instructional Staff	43,523				43,523
Other Non-Instruction	200,001				200,001
Student Transportation	1,824				1,824
Plant operations & maintenance				13,003	13,003
	<u>1,650,273</u>	<u>-</u>	<u>-</u>	<u>37,035</u>	<u>1,687,308</u>
Total expenditures	<u>1,650,273</u>	<u>-</u>	<u>-</u>	<u>37,035</u>	<u>1,687,308</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(27,384)</u>	<u>508,351</u>	<u>4,999,741</u>	<u>877</u>	<u>5,481,585</u>
Other Financing Sources (Uses)					
Operating transfers (out)		(504,109)	(4,985,934)		(5,490,043)
Total other financing sources (uses)	<u>-</u>	<u>(504,109)</u>	<u>(4,985,934)</u>	<u>-</u>	<u>(5,490,043)</u>
Net Change in Fund Balance	(27,384)	4,242	13,807	877	(8,458)
Fund Balance Beginning	<u>562,085</u>	<u>279,028</u>	<u>27,840</u>	<u>35,175</u>	<u>904,128</u>
Fund Balance Ending	<u>\$ 534,701</u>	<u>\$ 283,270</u>	<u>\$ 41,647</u>	<u>\$ 36,052</u>	<u>\$ 895,670</u>

Floyd County School District
Combining Balance Sheet of
School Activity Funds
 June 30, 2024

	<u>BETSY LANE HIGH</u>	<u>FLOYD CENTRAL HIGH</u>	<u>PRESTONSBURG HIGH</u>	<u>ADAMS MIDDLE</u>	<u>ALLEN ELEMENTARY</u>	<u>BETSY LANE ELEMENTARY</u>	<u>DUFF-ALLEN CENTRAL ELEMENTARY</u>
ASSETS							
Cash and cash equivalents	\$ 84,518	\$ 68,195	\$ 62,032	\$ 56,789	\$ 21,116	\$ 69,577	\$ 70,565
Accounts receivable	778						
Total assets	<u>85,296</u>	<u>68,195</u>	<u>62,032</u>	<u>56,789</u>	<u>21,116</u>	<u>69,577</u>	<u>70,565</u>
FUND BALANCE							
School activities	<u>85,296</u>	<u>68,195</u>	<u>62,032</u>	<u>56,789</u>	<u>21,116</u>	<u>69,577</u>	<u>70,565</u>
Total liabilities & fund balance	<u>\$ 85,296</u>	<u>\$ 68,195</u>	<u>\$ 62,032</u>	<u>\$ 56,789</u>	<u>\$ 21,116</u>	<u>\$ 69,577</u>	<u>\$ 70,565</u>

Floyd County School District
Combining Balance Sheet of
School Activity Funds (Continued)
 June 30, 2024

	MAY VALLEY ELEMENTARY	PRESTONSBURG ELEMENTARY	SOUTH FLOYD ELEMENTARY	STUMBO ELEMENTARY	SCHOOL ACTIVITY FUNDS TOTAL
ASSETS					
Cash and cash equivalents	\$ 51,585	\$ 25,771	\$ 8,077	\$ 15,698	\$ 533,923
Accounts receivable					778
Total assets	<u>51,585</u>	<u>25,771</u>	<u>8,077</u>	<u>15,698</u>	<u>534,701</u>
FUND BALANCE					
School activities	51,585	25,771	8,077	15,698	534,701
Total liabilities & fund balance	<u>\$ 51,585</u>	<u>\$ 25,771</u>	<u>\$ 8,077</u>	<u>\$ 15,698</u>	<u>\$ 534,701</u>

Floyd County School District
Combining Statement of Revenues, Expenses and Changes in Fund Balance
School Activity Funds (Continued)
Year ended June 30, 2024

	<u>BETSY LANE HIGH</u>	<u>FLOYD CENTRAL HIGH</u>	<u>PRESTONSBURG HIGH</u>	<u>ADAMS MIDDLE</u>	<u>ALLEN ELEMENTARY</u>	<u>BETSY LANE ELEMENTARY</u>	<u>DUFF-ALLEN CENTRAL ELEMENTARY</u>
REVENUES							
Student revenues	\$ 285,977	\$ 290,712	\$ 130,611	\$ 133,695	\$ 55,998	\$ 159,711	\$ 110,725
Total revenues	<u>285,977</u>	<u>290,712</u>	<u>130,611</u>	<u>133,695</u>	<u>55,998</u>	<u>159,711</u>	<u>110,725</u>
EXPENDITURES							
Student activities	267,736	324,549	149,287	129,221	52,053	164,884	101,904
Total expenditures	<u>267,736</u>	<u>324,549</u>	<u>149,287</u>	<u>129,221</u>	<u>52,053</u>	<u>164,884</u>	<u>101,904</u>
Excess (Deficit) of Revenues Over Expenditures	18,241	(33,837)	(18,676)	4,474	3,945	(5,173)	8,821
FUND BALANCE - BEGINNING	<u>67,055</u>	<u>102,032</u>	<u>80,708</u>	<u>52,315</u>	<u>17,171</u>	<u>74,750</u>	<u>61,744</u>
FUND BALANCE - ENDING	<u>\$ 85,296</u>	<u>\$ 68,195</u>	<u>\$ 62,032</u>	<u>\$ 56,789</u>	<u>\$ 21,116</u>	<u>\$ 69,577</u>	<u>\$ 70,565</u>

Floyd County School District
Combining Statement of Revenues, Expenses and Changes in Fund Balance
School Activity Funds (Continued)
Year ended June 30, 2024

	<u>MAY VALLEY ELEMENTARY</u>	<u>PRESTONSBURG ELEMENTARY</u>	<u>SOUTH FLOYD ELEMENTARY</u>	<u>STUMBO ELEMENTARY</u>	<u>SCHOOL ACTIVITY FUNDS TOTAL</u>
REVENUES					
Student revenues	\$ 182,731	\$ 57,288	\$ 173,704	\$ 41,732	\$ 1,622,884
Total revenues	<u>182,731</u>	<u>57,288</u>	<u>173,704</u>	<u>41,732</u>	<u>1,622,884</u>
EXPENDITURES					
Student activities	170,175	66,053	181,443	42,963	1,650,268
Total expenditures	<u>170,175</u>	<u>66,053</u>	<u>181,443</u>	<u>42,963</u>	<u>1,650,268</u>
Excess (Deficit) of Revenues Over Expenditures	12,556	(8,765)	(7,739)	(1,231)	(27,384)
FUND BALANCE - BEGINNING	<u>39,029</u>	<u>34,536</u>	<u>15,816</u>	<u>16,929</u>	<u>562,085</u>
FUND BALANCE - ENDING	<u>\$ 51,585</u>	<u>\$ 25,771</u>	<u>\$ 8,077</u>	<u>\$ 15,698</u>	<u>\$ 534,701</u>

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES , EXPENSES, AND CHANGES IN FUND BALANCE -
BETSY LANE HIGH SCHOOL
Year ended June 30, 2024

	<u>FUND BALANCE BEGINNING</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>TRANSFERS</u>	<u>FUND BALANCE ENDING</u>
GENERAL FUND	\$ 5,974	\$ 5,735	\$ 9,229	\$ 2,127	\$ 4,606
MOCK TRAILS	4	2,457	2,272		189
JAG	-	1,384	812		573
STUDENT VENDING	2,868	1,509	1,297	185	3,266
SCIENCE OLYMPIAD	235	-	-		235
ROBOTICS	261	10	-		271
ENGINEERING CLUB	50	-	-		50
JOURNALISM	4	-	-		4
STLP	162	-	-		162
FBLA	10	225	-		235
TEACHER VENDING	3,446	1,974	998		4,421
TAG	38	-	-		38
STAFF FLOWER FUND	71	133	99		105
ANTRHOPOLOGY	803	-	-		803
MEDIA PRODUCTIONS	185	-	-		185
SCHOOL WIDE FUNDRAISER	-	6,035	3,968	(2,067)	-
ESPORTS	260	120	205		175
BLHS CHAMPIONS	12	-	-		12
ATHLETIC	21,394	41,926	37,074	826	27,072
START UP CASH	-	350	350		-
PE CLASS	298	-	-		298
SPANISH CLUB	76	-	-		76
ART	5	94	-		99
MUSIC AND BAND	1,197	6,044	5,664		1,577
SPECIAL ED	386	-	-		386
FMD	165	-	-		165
ACADEMIC	259	340	205		394
BETA CLUB	909	12,913	12,632		1,190
FORENSICS	188	-	-		188
LIBRARY	227	-	-		227
STUDENT COUNCIL	14	-	-		14
SENIOR CLASS	264	5,724	5,338		727
JUNIOR CLASS	7,644	24,753	26,840	(137)	5,420
CHILDRENS INC	2,076	6,412	5,211		3,277
ARCHERY	965	9,071	5,542		4,494
BOBCAT DRUG COALITION	575	-	-		575
COUNSELOR	286	-	-		286
YEARBOOK	-	468	468		-
DANCE	543	7,098	7,383		257
FOOTBALL	1,104	32,594	29,486	(557)	3,654
SCHOOL PICTURES	-	185	-	(185)	-
GIRLSBBALLBOOSTERS	2	22,660	20,395		2,266
VOLLEYBALL	3,225	9,342	7,519		5,048
GIRLS CHEERLEADERS	100	45,478	42,088	(2)	3,488
NATIONAL HONOR SOCIETY	506	12,083	11,632		957
BOYS BASKETBALL HOOPSTERS	1,193	16,174	14,367	(2,437)	564
GIRLS SOFTBALL	2,317	4,645	4,801	(130)	2,032
BOYS BASEBALL	4,306	6,667	9,762	2,387	3,599
TRACK TEAM	428	1,373	691	(86)	1,024
BOWLING	121	-	-		121
GOLF TEAM	1,900	-	1,407		493
Totals	\$ 67,055	\$ 285,977	\$ 267,736	\$ 0	\$ 85,296

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES , EXPENSES, AND CHANGES IN FUND BALANCE -
FLOYD CENTRAL HIGH SCHOOL
Year ended June 30, 2024

	<u>FUND BALANCE BEGINNING</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>TRANSFERS</u>	<u>FUND BALANCE ENDING</u>
VOLLEYBALL	\$ 6,073	\$ 20,432	18,973	\$	\$ 7,532
BOYS BASKETBALL	3,006	24,280	26,448	(2)	836
GIRLS BASKETBALL	6,075	21,944	24,783		3,236
DRAMA	202	70	251		20
GENERAL FUND	2,330	5,635	8,069	1,498	1,393
ATHLETICS	26,019	39,560	56,543	2,037	11,073
LIBRARY	724	-	-	(724)	0
BASEBALL	4,845	30,497	30,655		4,687
BAND/MUSIC	5,169	11,558	12,199	(1)	4,528
KYA	-	3,580	3,356		224
SCHOOL PICTURES	277	249	14	(1)	511
CBI	9	-	-	(9)	0
CHILDRENS INC	2,147	2,751	3,918		980
MATH CLUB	428	-	-	(428)	(0)
GUIDANCE	45	-	-	(45)	(0)
ACADEMICS	1,264	3,815	3,738		1,341
ART	27	-	-	(27)	0
STUDENT VENDING	865	3,184	3,857	(1)	191
TEACHER VENDING	92	981	1,072		0
FOOTBALL	1,291	19,306	17,978	(1)	2,618
TALENTED & GIFTED	407	-	-		407
JUNIORS	1,004	27,963	25,173		3,794
SENIORS	217	8,886	8,081		1,022
JROTC	4,773	3,696	6,470		1,999
STUDENT COUNCIL	117	-	-		117
CHEERLEADING	9,831	21,300	27,680		3,451
MOLLETT SCH CD	8	-	-	(8)	0
YEARBOOK	832	105	537	432	832
BETA CLUB	357	3,284	3,210	96	527
SOFTBALL	6,075	4,153	7,700		2,527
KSTC ADVANCE KENTUCKY	1	-	-	(1)	-
GOLF	(51)	3,124	750	(1,949)	374
ARCHERY	5,976	2,000	7,786		190
NATIONAL HONOR SOCIETY	1,804	1,080	1,978		906
MEDIA	146	-	-	(146)	-
AP EXAM	97	-	-		97
JAQUAR CAFÉ	34	-	-	(34)	-
CHORUS	158	-	-	(158)	0
FLAG TEAM	13	-	-	(13)	-
FAMILY RESOURCE CENTER	4,777	5,918	4,854	(145)	5,697
ATHLETIC START UP MONEY	-	1,000	1,000		-
PSAT	480	-	-	(480)	-
DANCE	62	-	-	(62)	-
MAJORETTES	240	-	-	(240)	-
SENIORS CAPS AND GOWNS	137	-	104		33
TRACK	2,410	4,258	3,686		2,982
STAGE BAND TECH	-	-	-	410	410
JOURNALISM	-	995	-		995
WRESTLING	772	12,690	12,570		891
JAGS	323	210	-		533
FMD	146	34	65		114
WILLIAM PETRY SCHOLARSHIP	-	100	100		-
HOSA	-	604	500		104
NATIONAL HONOR SOCIETY	-	1,023	-		1,023
FRYSC - MILITARY STUDENT	-	450	450		-
Totals	\$ 102,032	\$ 290,712	\$ 324,549	\$ 0	\$ 68,195

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES , EXPENSES, AND CHANGES IN FUND BALANCE -
PRESTONBURG HIGH SCHOOL
Year ended June 30, 2024

	FUND BALANCE BEGINNING	REVENUES	EXPENDITURES	TRANSFERS	FUND BALANCE ENDING
GENERAL FUND	\$ 2,618	\$ 4,780	\$ 4,922	\$ (40)	\$ 2,436
TRACK TEAM	1,636	4,280	4,586		1,330
GOLF TEAM	1,036	5,715	6,625		126
ATHLETIC	11,040	40,373	44,591	3,362	10,184
ARCHERY	1,848	2,760	1,977		2,631
BASEBALL	1,849	-	1,042	(806)	-
BOYS BASKETBALL	1,971	329	200	(1,053)	1,047
GIRLS BASKETBALL	1,811	3,402	1,883		3,329
CHEER	973	-	916		58
DANCE	848	-	-		848
FOOTBALL TEAM	13,769	6,654	20,423		(0)
BOYS SOCCER	938	-	-	(640)	298
GIRLS SOCCER	1,334	40	250	(510)	614
VOLLEYBALL	1,218	-	143		1,075
WRESTLING TEAM	3,189	1,000	3,645		544
ESPORTS	822	-	822		-
DISTRICT TOURNAMENT	3,062	21,769	17,684	(313)	6,835
LIBRARY CAFÉ	569	-	-		569
REGION TOURNAMENT	-	1,788	1,788		-
JUNIOR CLASS	5,307	8,142	8,282		5,167
PAW PRINTS MAGAZINE	52	-	-		52
PSAT	114	-	24		90
SENIOR CLASS	639	4,684	3,774		1,549
AP EXAMS	589	-	550		39
CAP/GOWN	40	-	-		40
ALLIED HEALTH	268	-	-		268
YEARBOOKS	175	-	-		175
CHOIR	1,281	-	-		1,281
BAND	870	-	398		472
ACADEMIC TEAM	93	-	93		(0)
CONCESSION	2,432	7,015	6,852		2,596
FACULTY VENDING	1,089	3,286	3,624		751
TAG	517	-	-		517
NATIONAL HONOR SOCIETY	1,841	190	1,243		788
STUDENT COUNCIL	26	-	-		26
FBLA	2,063	-	140		1,923
JAG	9	1,170	1,170		9
SCIENCE OLYMPIAD	1,662	779	1,375		1,066
HOSA	606	7,126	6,548		1,184
TRANSPORTATION	4,230	-	-		4,230
START UP	-	1,400	1,400		-
PROJECT PROM	500	-	-		500
YOUTH SERVICE CENTER	174	2,452	2,210		416
CHILDREN INCORPORAT	-	478	-		478
LINK CREW	1	1,000	107		894
LAPTOPS	5,600	-	-		5,600
Totals	\$ 80,708	\$ 130,611	\$ 149,288	\$ 0	\$ 62,032

Floyd County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
U.S. Department of Agriculture					
Passed Through State Department of Education					
* School Breakfast Program	10.553				
Fiscal Year 23		7760005 23	-	N/A	242,217
Fiscal Year 24		7760005 24	-	N/A	855,118
* National School Lunch Program	10.555				
Fiscal Year 23		7750002 23	-	N/A	615,529
Fiscal Year 24		7750002 24	-	N/A	2,202,733
Fiscal Year 23		9980000 23	-	N/A	163,406
* Summer Food Service	10.559				
Fiscal Year 22		7740023 22	-	N/A	287,732
Fiscal Year 23		7690024 22	-	N/A	29,605
Child Nutrition Cluster Subtotal					<u>4,396,340</u>
Fruit & Vegetable Program	10.582				
Fiscal Year 23		7720012 23	-	N/A	14,776
Fiscal Year 24		7720012 24	-	N/A	120,167
					<u>134,943</u>
State Administrative Grant for Nutrition	10.560				
Fiscal Year 23		7700001 23	-	N/A	26,569
Passed Through State Department of Agriculture					
Food Donation-Commodities	10.565				
Fiscal Year 23		510.4950	-	N/A	249,292
Total U.S. Department of Agriculture					<u>4,807,144</u>
US Department of Education					
Passed Through State Department of Education					
Title I Grants to Local Educational Agencies	84.010A				
Fiscal Year 22		3100002 21	-	5,013,187	7,388
Fiscal Year 23		3100002 22	-	204,192	714,677
Fiscal Year 24		310K,KM,KN	-	4,760,602	3921,722
Fiscal Year 24		311KM	-	8,676	8,676
Fiscal Year 23		3100202 21	-	123,410	68,599
					<u>4,721,062</u>
Special Education Grants to States	84.027A				
Fiscal Year 23		3810002 22	-	1,475,864	356,976
Fiscal Year 24		337K,KP	-	1,567,131	997,480
Fiscal Year 24		336KE	-	102,782	102,782
COVID-19- ARP Individuals with Disabilities Education Act	84.027X				
Fiscal Year 22		4910002-21	-	324,507	47,139
Special Education - Preschool Grants	84.173A				
Fiscal Year 22		3800002 21	-	71,632	219
Fiscal Year 23		3800002 22	-	80,854	3,567
Fiscal Year 24		343K,KP	-	78,016	75,065
COVID-19- ARP Individuals with Disabilities Education Act- Preschool	84.173X				
Fiscal Year 22		4900002-21	-	44,515	1,193
Special Education Cluster Subtotal					<u>1,584,421</u>
Vocation Education - Basic Grants to States	84.048				
Fiscal Year 23		3710002 22	-	84,809	6,469
Fiscal Year 24		348K	-	85,493	80,051
					<u>86,520</u>
Rural Education	84.358				
Fiscal Year 23		3140002 22	-	151,263	4,530
Title IV Part A	84.424				
Fiscal Year 22		3420002 22	-	155,972	43,749
Fiscal Year 23		3420002 23	-	932,980	93,498
Fiscal Year 24		552KS,KT,KW	-	383,140	277,597
					<u>414,844</u>
Improving Teacher Quality	84.367A				
Fiscal Year 22		3230002 21	-	387,443	1,613
Fiscal Year 23		3230002 22	-	436,315	78,507
Fiscal Year 24		401k	-	377,951	280,577
					<u>360,697</u>
* COVID-19- ESSER	84.425D				
Fiscal Year 21		4000002 21	-	16,952,002	403,480
Fiscal Year 22		4300005-21	-	375,324	43,361
* COVID-19- ARP ESSER	84.425U				
FY21 ARP Emergency Relief Fund		4300002 21	-	49,489,405	13,285,061
ATC outreach Coordinator Pilot		473GM	-	145,000	21,211
2023-2024 Digital Learning Coaches		473GW	-	6,808	6,808
Deeper Learning Grant		563J	-	73,740	53,569
* COVID-19- ARP ESSER Homeless Children and Youth I	84.425W				
Fiscal Year 22		4980002-21	-	119,172	36,749
Education Stabilization Funds Subtotal					<u>13,850,239</u>
Passed Through Berea College					
GEAR UP	84.334A				
Fiscal Year 23		P334A170041-17A	-	842,983	41,332
Fiscal Year 24		379KG, KR	-	893,027	798,716
					<u>840,048</u>
Total U.S. Department of Education					<u>21,862,361</u>
U.S. Department of Defense					
ROTC	12.000				
Fiscal Year 24		504K	-	N/A	30
Total U.S. Department of Defense					<u>30</u>

See the accompanying notes to the schedule of expenditures of federal awards.

Floyd County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
U.S. Department of Health and Human Services					
Passed through Big Sandy Area Community Action Program					
Head Start					
Fiscal Year 23	93.600		-	1,687,476	381,676
Fiscal Year 24		04CH2596	-	1,829,779	<u>1,178,073</u>
		04CH2597	-		<u>1,559,749</u>
COVID-19- ARPA Child Care Sustainment					
Fiscal Year 22		576I	-	104,138	11,852
ARPA Child Care Facility Repairs Grant		553I	-	9,750	<u>98</u>
					<u>11,950</u>
Total U.S. Department of Health and Human Services					<u>1,571,699</u>
Total Expenditure of Federal Awards					\$ <u>28,241,234</u>

* Major program

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling \$249,292.

NOTE D – INDIRECT COST RATE

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

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

To the Board of Education of the Floyd County School District
Prestonburg, Kentucky

And the State Committee for School District Audits

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit /Contract and requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Floyd 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 November 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated November 15, 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.

White & Associates, PSC

Richmond, Kentucky

November 15, 2024

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

To the Board of Education of the Floyd County School District
Prestonsburg, Kentucky

And the State Committee for School District Audits

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Floyd 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

White & Associates, PSC

Richmond, Kentucky

November 15, 2024

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2024

SUMMARY OF AUDITOR’S RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies disclosed?	None Reported
If so, was any significant deficiencies material (GAGAS)?	N/A
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficiencies in internal control disclosed that were not considered to be material weaknesses?	None Reported
What type of report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that Is required to be reported as described in the Uniform Guidance?	No
Major Programs	Educational Stabilization Fund [ALN 84.425D, 84.425U, & 84.425W] Child Nutrition Cluster [ALN 10.553, 10.555, 10.559]

Dollar threshold of Type A and B programs	\$847,237
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Low risk auditee?	Yes
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FINDINGS - FINANCIAL STATEMENT AUDIT

No findings at the financial statement level.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings at the major federal award programs level.

FLOYD COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2024

There were no prior year findings.

MANAGEMENT LETTER POINTS

Floyd County School District
Prestonsburg, Kentucky

In planning and performing our audit of the financial statements of the Floyd County School District for the year ended June 30, 2024, we considered the District's internal controls 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated November 15, 2024. This letter does not affect our report dated November 15, 2024, on the financial statements of the Floyd County School District. The conditions observed are as follows:

South Floyd Elementary

1-24

Statement of Condition: Deposits are being held for multiple days over the \$100 accumulation limit.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management Response to the Recommendation: Principals and bookkeepers received Redbook training on 8/29/24. We did a Redbook training for all staff at South Floyd on 10/21/24. Replaced the bookkeeper, Athletic Director and Cheer Coach. Individual trainings for new bookkeeper from Central Office Finance Department. Monthly check ins from district finance team and support from District Supervisor.

2-24

Statement of Condition: The deposit slips do not consistently indicate verification by dual signatures.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management Response to the Recommendation: Principals and bookkeepers received Redbook training on 8/29/24. We did a Redbook training for all staff at South Floyd on 10/21/24. Replaced the bookkeeper, Athletic Director and Cheer Coach. Individual

trainings for new bookkeeper from Central Office Finance Department. Monthly check ins from district finance team and support from District Supervisor.

All prior year conditions have been implemented and corrected. Larry Hammond, Superintendent, is the person responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately, if any. The corrective action plan is the management response for each condition. We would like to thank the Finance Officer, Tiffany Warrix, and their department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
November 15, 2024