

GREEN COUNTY SCHOOL DISTRICT
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITOR'S REPORT

Year ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Greensburg, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Green County School District (the "District") as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Green County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Green County School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of District's proportionate share of net pension liabilities, net OPEB liabilities, and schedules of required contributions on Pages 3 through 8 and 42 through 57 be presented to supplement the basic financial statements. Such information, 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 Green County School District's basic financial statements. The accompanying combining and individual non-major 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 non-major 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 Green County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on 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 Green County School District's internal control over financial reporting and compliance.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 15, 2024

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

As management of the Green 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

- The beginning unassigned fund balance for the District's General Fund was \$3,493,436 as compared to \$4,050,587 for year ending balance on June 30, 2024.
- The district continues to focus on making substantial investments in assets, facilities, and staff.
 - The district continued with construction on the Green County High School replacement / major renovation construction project. The \$26 million project is being supported by \$7.6 million in urgent needs funding allocated by the Kentucky General Assembly and the School Facilities Construction Commission with the remainder of funding coming from restricted state building and capital funding sources without needing to burden local general fund tax dollars. The project will result in 68,000 sq. ft. of new classroom and administrative spaces will be constructed including a new band room and an auditorium with a seating capacity of 500.
 - The district completed turf field projects at the baseball and softball fields. Other improvements included fencing, lighting, and scoreboard upgrades.
 - The district started two major renovation projects at the Green County Area Technology Center. The first project is an expansion of the Welding Lab at the ATC. The project is primarily funded through a \$300k Appalachian Regional Commission grant with the remainder to be funded through restricted state funding sources. The second project is a \$7.3 million project that will include the construction of a third building that will connect the two existing buildings. The \$7.3 million project will be primarily funded by a \$6.7 million funding allocation from the Kentucky General Assembly and will be locally matched with \$670,000 in restricted funding. The Welding Lab expansion was 90% complete at fiscal year end. The phase 3 renovations were well underway and are expected to reach substantial completion within six months.
 - The board announced significant adjustments to the certified and classified salary schedules. The raises were made possible primarily through increased SEEK funding from the Kentucky legislature and represent the largest single-year raise in the district's history.
- The district has also made significant investments and improvements in other critical areas such as:
 - Updating and Modernizing the Bus Fleet: During FY24 the district put four new buses into operation primarily funded through federal grants. The board has ordered two new buses. By the end of FY26 the entire fleet will feature air-conditioned cabins.
 - Academic Achievement: 2023-2024 State Assessment and Accountability results show that students are learning at a consistently high level. Green County was the only regional district to be above state average at every school level tested. The district was also 1 of 31 districts to Kentucky to receive a prestigious college readiness award.
- The Kentucky General Assembly has increased SEEK funding from a baseline of \$4,000 per student to \$4,200 per student prorated based on ADA and other factors. SEEK funding reported in the district's general fund in FY 2024 was \$8,355,198. The amount of SEEK received in FY 2023 was \$8,337,274.
- The General Fund had \$15,423,187 in revenue, which primarily consisted of the state program (SEEK) and property, utilities and motor vehicle taxes. Excluding inter-fund transfers of \$579,947, there was \$14,790,307 in General Fund expenditures. Approximately 53% of general fund expenditures were for salaries and benefits.

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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.

The government-wide financial statements can be found on pages 9-11 of this report.

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

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to the financial statements- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-40 of this report.

DISTRICT-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, total assets exceeded liabilities by \$19,199,184 as of June 30, 2024 as compared to \$14,067,372 as of June 30, 2023. The increase in net position in fiscal year 2024 is attributed primarily to an increase in capital assets associated with on-going construction.

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

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

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

Net Position for the Period Ending June 30, 2024 and 2023:

Assets:	2024	2023
Current Assets	\$ 19,462,293	\$ 26,084,076
Capital Assets	52,360,236	37,140,917
Other non-current assets	124,712	-
Total Assets	71,947,241	63,224,993
Deferred Outflows of Resources		
CERS	2,199,399	2,680,516
Defeasance on refunding	359,193	396,317
KTRS	2,184,025	2,794,430
Total deferred outflows of resources	4,742,617	5,871,263
Liabilities:		
Current Liabilities	5,313,996	3,020,045
Noncurrent Liabilities	46,194,059	48,008,417
Total Liabilities	51,508,055	51,028,462
Deferred Inflows of Resources		
CERS	3,761,619	2,169,422
KTRS	2,221,000	1,831,000
Total deferred inflows of resources	5,982,619	4,000,422
Net Position		
Net Investment in Capital Assets	15,797,517	123,563
Restricted	(521,337)	(537,907)
Unrestricted	3,923,004	14,481,716
Total Net Position	\$ 19,199,184	\$ 14,067,372

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

COMMENTS ON BUDGET COMPARISONS

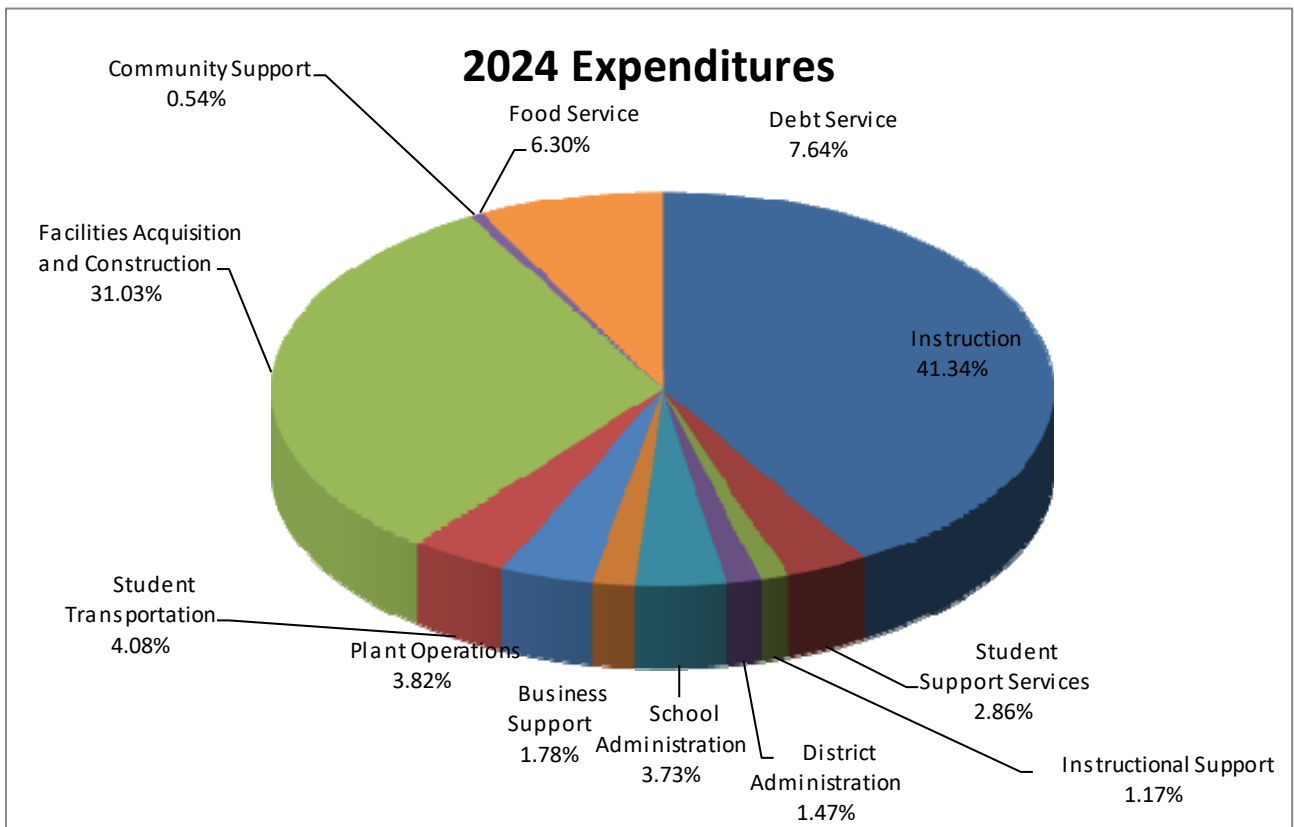
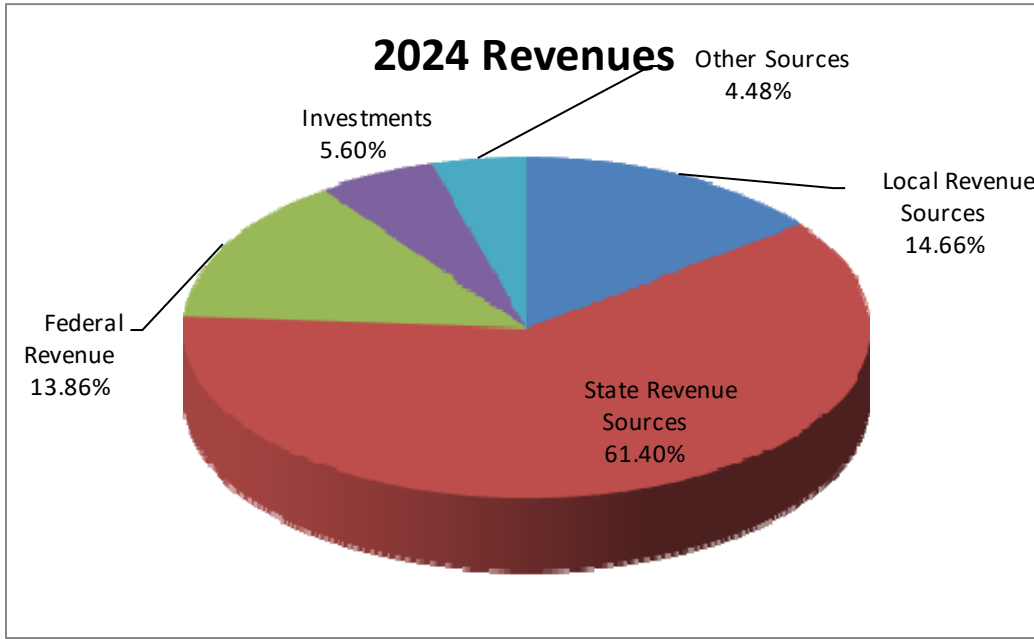
- The District's total revenues for the fiscal year ended June 30, 2024, net of inter-fund transfers and on-behalf payments, were \$26,658,185.
- General fund budget compared to actual revenue (net of unbudgeted on-behalf payments) varied from line item to line item with the ending actual balance being \$457,599 more than budget.
- General fund final actual expenditures were \$1,058,777 less than budget.

The following table presents a summary of governmental revenue and expenditures for the fiscal year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Revenues:		
Local Revenue Sources	\$ 4,068,568	\$ 5,015,232
State Revenue Sources	17,034,968	24,898,403
Federal Revenue	3,845,756	3,451,863
Investments	1,554,928	56,660
Other Sources	1,241,959	14,675
Total Revenues	<u>27,746,179</u>	<u>33,436,833</u>
Expenditures:		
Instruction	15,840,438	16,350,401
Student Support Services	1,306,214	1,077,971
Instructional Support	447,699	466,602
District Administration	562,386	495,290
School Administration	1,427,708	1,367,380
Business Support	681,164	621,115
Plant Operations	1,463,313	1,459,186
Student Transportation	1,564,230	1,545,308
Facilities Acquisition and Construction	11,892,375	9,133,631
Community Support	205,463	198,211
Debt service:		
Principal	1,591,131	2,126,291
Interest	1,337,781	609,580
Total Expenditures	<u>38,319,902</u>	<u>35,450,966</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ (10,573,723)</u>	<u>\$ (2,014,133)</u>

GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

The following pie charts are included as additional illustrations of the District's revenues and expenses for the year ended June 30, 2023



GREEN COUNTY SCHOOL DISTRICT
GREENSBURG, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2024

GENERAL FUND REVENUE SOURCES

General fund receipts in FY 2024 were derived from three sources: local taxes account for 22 percent of all revenue; state sources were responsible for 71 percent of general fund revenue; and an additional 7 percent came from federal sources, investment income and other miscellaneous fees.

GENERAL FUND EXPENDITURE CATEGORIES

General Fund expenditures in FY 2024 were spread among eight functions.

<u>Expenditure Category</u>	<u>Percent</u>
Instructional Activities (<i>teachers, instructional assistants, instructional supplies, materials & equipment</i>)	57.3
Plant Operations	9
Student Transportation	10.5
School Administration Support (principal's offices)	9.1
Student Support Services (<i>pupil attendance, guidance, social work, health, psychologist, speech pathologists, occupational and physical therapy, services for the visually impaired</i>)	2.7
Instructional Staff Support	3
District Administration Support (<i>board of ed, office of superintendent</i>)	3.8
Business Support Services	4.6
Community Services, Site Improvement, Debt Service & Fund Transfers (<i>Local Technology Match</i>)	0

BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2 percent contingency. The district adopted a budget with \$1.4 million in contingency (approximately 10% of the entire budget). The beginning cash balance for beginning the fiscal year was \$3,972,527 (general fund).

Questions regarding this report should be directed to the Superintendent (270-932-6601) or to the Finance Officer (270-932-6601) or by mail at 402 East Hodgenville Ave., Greensburg, Kentucky 42743.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business Type Activities	Total
Assets:			
Current Assets:			
Cash & cash equivalents	\$ 16,760,341	\$ 782,109	\$ 17,542,450
Inventory	-	14,737	14,737
Accounts receivable			
Taxes current	158,327	-	158,327
Other accounts receivable	1,145	-	1,145
Intergovernmental -indirect federal	1,745,388	246	1,745,634
Total current assets	<u>18,665,201</u>	<u>797,092</u>	<u>19,462,293</u>
Noncurrent Assets:			
Land and other non-depreciable assets	31,730,022	-	31,730,022
Capital assets net of accumulated depreciation	20,538,165	92,049	20,630,214
Net OPEB Benefit	102,016	22,696	124,712
Total noncurrent assets	<u>52,370,203</u>	<u>114,745</u>	<u>52,484,948</u>
Total assets	<u>71,035,404</u>	<u>911,837</u>	<u>71,947,241</u>
Deferred outflows of resources			
Defeasance on refunding	359,193	-	359,193
CERS OPEB	530,109	117,939	648,048
KTRS OPEB	2,184,025	-	2,184,025
CERS	1,269,020	282,331	1,551,351
Total deferred outflows of resources	<u>4,342,347</u>	<u>400,270</u>	<u>4,742,617</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION - CONTINUED
June 30, 2024

	Governmental Activities	Business Type Activities	Total
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 2,191,446	\$ 1,992	\$ 2,193,438
Accrued interest payable	175,688	-	175,688
Other accrued liabilities	48,739	-	48,739
Current portion of bond obligations	2,090,000	-	2,090,000
Current portion of lease liabilities	36,912	-	36,912
Current portion of accrued sick leave	150,026	-	150,026
Unearned revenue	619,193	-	619,193
Total current liabilities	<u>5,312,004</u>	<u>1,992</u>	<u>5,313,996</u>
Noncurrent liabilities:			
Noncurrent portion of bond obligations	34,795,000	-	34,795,000
Noncurrent portion of lease liabilities	-	-	-
Noncurrent portion of accrued sick leave	150,027	-	150,027
Net OPEB liability-KTRS	5,453,000	-	5,453,000
Net pension liability	4,741,208	1,054,824	5,796,032
Total noncurrent liabilities	<u>45,139,235</u>	<u>1,054,824</u>	<u>46,194,059</u>
Total liabilities	<u>50,451,239</u>	<u>1,056,816</u>	<u>51,508,055</u>
Deferred Inflows of Resources			
OPEB-CERS	1,903,536	423,498	2,327,034
OPEB-KTRS	2,221,000	-	2,221,000
CERS	1,173,504	261,081	1,434,585
Total deferred inflows of resources	<u>5,298,040</u>	<u>684,579</u>	<u>5,982,619</u>
Net Position			
Net investment in capital assets	15,705,468	92,049	15,797,517
Restricted for:			
Inventories	-	14,737	14,737
Food Service	-	780,363	780,363
Other	-	(1,316,437)	(1,316,437)
Unrestricted	3,923,004	-	3,923,004
Total net position	<u>\$ 19,628,472</u>	<u>\$ (429,288)</u>	<u>\$ 19,199,184</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Expense	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Functions/Programs							
Governmental Activities:							
Instruction	\$ 16,357,538	\$ 17,865	\$ 4,713,209	\$ -	\$(11,626,464)	\$ -	\$(11,626,464)
Support Services							
Student	1,264,796	-	5,286	-	(1,259,510)	-	(1,259,510)
Instruction Staff	447,761	-	6,412	-	(441,349)	-	(441,349)
District Administrative	562,728	-	-	-	(562,728)	-	(562,728)
School Administrative	316,968	-	74,554	-	(242,414)	-	(242,414)
Business Support Services	681,164	-	-	-	(681,164)	-	(681,164)
Plant Operation and Maintenance	738,883	-	140,540	-	(598,343)	-	(598,343)
Student Transportation	1,236,956	-	249	-	(1,236,707)	-	(1,236,707)
Community Service Operations	205,768	-	202,008	-	(3,760)	-	(3,760)
Facilities Acquisition & Construction	-	-	-	1,048,442	1,048,442	-	1,048,442
Bond issuance costs	28,800	-	-	-	(28,800)	-	(28,800)
Interest on Long-Term Debt	846,566	-	-	-	(846,566)	-	(846,566)
Total Governmental Activities	<u>22,687,928</u>	<u>17,865</u>	<u>5,142,258</u>	<u>1,048,442</u>	<u>(16,479,363)</u>	<u>-</u>	<u>(16,479,363)</u>
Business-Type Activities							
Food Service	1,415,924	57,701	1,391,543	-	-	33,320	33,320
Total business-type activities	<u>1,415,924</u>	<u>57,701</u>	<u>1,391,543</u>	<u>-</u>	<u>-</u>	<u>33,320</u>	<u>33,320</u>
Total primary government	<u>\$ 24,103,852</u>	<u>\$ 75,566</u>	<u>\$ 6,533,801</u>	<u>\$ 1,048,442</u>	<u>(16,479,363)</u>	<u>33,320</u>	<u>(16,446,043)</u>
General Revenues:							
Taxes							
Property Taxes					2,828,876	-	2,828,876
Delinquent Property Taxes					58,666	-	58,666
Motor Vehicle					524,864	-	524,864
Utility Taxes					656,162	-	656,162
Other Taxes					2,317	-	2,317
Investment Earnings					1,554,928	37,924	1,592,852
Federal and State Aid					15,770,253	-	15,770,253
Miscellaneous					143,865	-	143,865
Transfers					66,195	(66,195)	-
Total general revenues and transfers					<u>21,606,126</u>	<u>(28,271)</u>	<u>21,577,855</u>
Change in Net Position					5,126,763	5,049	5,131,812
Net Position - Beginning					<u>14,501,709</u>	<u>(434,337)</u>	<u>14,067,372</u>
Net Position - Ending					<u>\$ 19,628,472</u>	<u>\$ (429,288)</u>	<u>\$ 19,199,184</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Special Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets and resources:						
Cash and cash equivalents	\$ 3,972,527	\$ -	\$ 12,268,215	\$ -	\$ 519,599	\$ 16,760,341
Accounts receivable:						
Taxes current	158,327	-	-	-	-	158,327
Other accounts receivable	-	-	-	-	1,145	1,145
Intergovernmental - direct federal	-	-	-	-	-	-
Intergovernmental - indirect federal	-	1,745,388	-	-	-	1,745,388
Interfund receivable	202,207	-	-	-	-	202,207
Total assets and resources	<u>\$ 4,333,061</u>	<u>\$ 1,745,388</u>	<u>\$ 12,268,215</u>	<u>\$ -</u>	<u>\$ 520,744</u>	<u>\$ 18,867,408</u>
Liabilities and fund balance:						
Liabilities:						
Accounts payable	\$ 83,735	\$ 923,490	\$ 1,183,265	\$ -	\$ 956	\$ 2,191,446
Interfund payable	-	202,207	-	-	-	202,207
Other accrued liabilities	48,739	-	-	-	-	48,739
Unearned revenue	-	619,193	-	-	-	619,193
Total liabilities	<u>132,474</u>	<u>1,744,890</u>	<u>1,183,265</u>	<u>-</u>	<u>956</u>	<u>3,061,585</u>
Fund balances:						
Nonspendable	-	3,098	-	-	-	3,098
Restricted - future construction	-	-	11,069,479	-	130,899	11,200,378
Restricted - Other	-	-	15,471	-	320,738	336,209
Committed - sick leave payable	150,027	-	-	-	-	150,027
Assigned-Purch Obl	348	(2,600)	-	-	-	(2,252)
Unassigned fund balance	4,050,212	-	-	-	68,151	4,118,363
Total fund balance	<u>4,200,587</u>	<u>498</u>	<u>11,084,950</u>	<u>-</u>	<u>519,788</u>	<u>15,805,823</u>
Total liabilities and fund balance	<u>\$ 4,333,061</u>	<u>\$ 1,745,388</u>	<u>\$ 12,268,215</u>	<u>\$ -</u>	<u>\$ 520,744</u>	<u>\$ 18,867,408</u>

See accompanying notes to financial statements.

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

Total fund balances per fund financial statements		\$ 15,805,823
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not current financial resources and therefore are not reported as assets in this fund financial statement. The cost of the assets is \$71,405,471, and the accumulated depreciation is \$19,137,284.		
		52,268,187
Deferred inflows of resources-CERS	\$ (3,077,040)	
Deferred inflows of resources-KTRS	(2,221,000)	
Deferred outflows of resources-CERS	1,799,129	
Deferred outflows of resources-KTRS	2,184,025	
Net OPEB Benefit-CERS	102,016	
Net OPEB liability-KTRS	(5,453,000)	
Net pension liability	<u>(4,741,208)</u>	(11,407,078)
Bond and capital lease payables are not reported in this fund financial statement because they are not due and payable in the current period, but they are presented in the statement of net position.		
		(36,921,912)
Certain liabilities, (Sick leave and interest payable) are not presented in this fund financial statement because they are not due and payable, but they are presented in the statement of net position as follows:		
Defeasance on refunding	359,193	
Interest Payable	(175,688)	
Accrued Sick Leave Payable	<u>(300,053)</u>	<u>(116,548)</u>
Net position for governmental activities		<u>\$ 19,628,472</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General Fund	Special Revenue (Grant) Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
From local sources:						
Taxes:						
Property	\$ 2,272,680	\$ -	\$ -	\$ -	\$ 614,862	\$ 2,887,542
Motor vehicles	524,864	-	-	-	-	524,864
Utilities	656,162	-	-	-	-	656,162
Tuition and fees	17,865	-	-	-	-	17,865
Earnings and investments	740,554	-	814,374	-	-	1,554,928
Other local revenues	183,383	27,276	2,500	-	1,010,935	1,224,094
Intergovernmental - state	13,560,380	1,308,531	-	1,117,615	1,048,442	17,034,968
Intergovernmental - indirect federal	-	3,801,940	-	-	-	3,801,940
Intergovernmental - direct federal	43,816	-	-	-	-	43,816
Total revenues	<u>17,999,704</u>	<u>5,137,747</u>	<u>816,874</u>	<u>1,117,615</u>	<u>2,674,239</u>	<u>27,746,179</u>
Expenditures:						
Instruction	11,045,170	4,713,209	-	-	82,059	15,840,438
Support services:						
Student support	396,691	5,286	-	-	904,237	1,306,214
Instructional staff	441,287	6,412	-	-	-	447,699
District Administration	562,386	-	-	-	-	562,386
School Administration	1,353,154	74,554	-	-	-	1,427,708
Business support services	681,164	-	-	-	-	681,164
Plant operations and maintenance	1,322,773	140,540	-	-	-	1,463,313
Student transportation	1,560,744	249	-	-	3,237	1,564,230
Facilities acquisition and construction	-	-	11,892,375	-	-	11,892,375
Community service activities	3,455	202,008	-	-	-	205,463
Debt service:						
Principal	-	-	-	2,116,759	-	2,116,759
Interest	-	-	-	812,153	-	812,153
Total expenditures	<u>17,366,824</u>	<u>5,142,258</u>	<u>11,892,375</u>	<u>2,928,912</u>	<u>989,533</u>	<u>38,319,902</u>
Excess (Deficit) of Revenues Over Expenditures	<u>632,880</u>	<u>(4,511)</u>	<u>(11,075,501)</u>	<u>(1,811,297)</u>	<u>1,684,706</u>	<u>(10,573,723)</u>
Other financing sources (uses):						
Proceeds from capital lease	-	-	-	-	-	-
Proceeds from bond issue	-	-	1,625,000	-	-	1,625,000
Bond issue cost	-	-	(32,948)	-	-	(32,948)
Proceeds from sale of assets	2,317	-	-	-	-	2,317
Operating transfers in	518,122	30,007	-	1,811,297	-	2,359,426
Operating transfers out	(579,947)	(25,494)	-	-	(1,687,790)	(2,293,231)
Total other financing sources (uses)	<u>(59,508)</u>	<u>4,513</u>	<u>1,592,052</u>	<u>1,811,297</u>	<u>(1,687,790)</u>	<u>1,660,564</u>
Net change in fund balance	573,372	2	(9,483,449)	-	(3,084)	(8,913,159)
Fund Balance June 30, 2023	<u>3,627,215</u>	<u>496</u>	<u>20,568,399</u>	<u>-</u>	<u>522,872</u>	<u>24,718,982</u>
Fund Balance June 30, 2024	<u>\$ 4,200,587</u>	<u>\$ 498</u>	<u>\$11,084,950</u>	<u>\$ -</u>	<u>\$ 519,788</u>	<u>\$15,805,823</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Change - Governmental Funds \$ (8,913,159)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures because they use current financial resources. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays for the year.

Depreciation Expense	\$ (975,879)	
Capital Outlays	<u>16,206,719</u>	15,230,840

Bond proceeds are reported as financial sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Bond Proceeds	(1,625,000)	
Bond Discount		
Principal Paid:		
District	1,174,807	
State	905,193	
Capital Lease	<u>36,759</u>	491,759

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	6,859	
Accrued Sick Leave	(33,191)	
Bond defeasance on refunding	(37,124)	
Net pension liability	723,038	
Net OPEB liability-CERS	(1,232,000)	
Net OPEB liability-KTRS	1,593,487	
Deferred outflows of resources	(1,042,512)	
Deferred inflows of resources	<u>(1,661,234)</u>	(1,682,677)

In the statement of activities the net gain on the sale/disposal of assets is reported in, whereas in the governmental funds the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balances by the cost of the assets sold/disposed. -

Change in net position of governmental activities		<u>\$ 5,126,763</u>
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GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	<u>Food Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 782,109
Accounts receivable	246
Inventory	14,737
Total current assets	<u>797,092</u>
Noncurrent assets	
Capital assets net of accumulated depreciation	92,049
Net OPEB benefit	22,696
Total noncurrent assets	<u>114,745</u>
Total assets	<u>911,837</u>
Deferred Outflows of resources	
OPEB	117,939
CERS	282,331
Total Deferred Outflows of resources	<u>400,270</u>
Liabilities	
Current liabilities	
Accounts payable	1,992
Total current liabilities	<u>1,992</u>
Noncurrent liabilities	
Net pension liability - CERS	1,054,824
Total noncurrent liabilities	<u>1,054,824</u>
Total liabilities	<u>1,056,816</u>
Deferred Inflows of resources	
OPEB-CERS	423,498
CERS	261,081
Total Deferred Inflows of resources	<u>684,579</u>
Net position	
Net investment in capital assets	92,049
Unassigned	-
Restricted:	
Food Service	780,363
Inventory	14,737
Restricted - other	(1,316,437)
Total net position	<u>\$ (429,288)</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Food Service Fund
Operating Revenues:	
Lunchroom sales	\$ 18,295
Other operating revenues	39,406
Total operating revenues	57,701
Operating Expenses:	
Salaries and benefits	712,111
Contract services	25,104
Material and supplies	664,670
Depreciation	11,521
Other operating expenses	2,518
Total operating expenses	1,415,924
Operating income (loss)	(1,358,223)
Non-operating revenues (expenses)	
Federal grants	1,197,326
Donated commodities	58,690
State grants	135,527
Interest income	37,924
Total non-operating revenues (expenses)	1,429,467
Income (loss) before capital contributions and transfers	71,244
Net transfers	(66,195)
Change in net position	5,049
Net position - beginning	(434,337)
Net position - ending	\$ (429,288)

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Cash Flows From Operating Activities:	
Cash received from:	
Lunchroom sales	\$ 18,295
Other activities	39,406
Cash paid to/for:	
Employees	(584,691)
Supplies	(590,506)
Other activities	<u>(27,622)</u>
Net cash provided (used) by operating activities	(1,145,118)
Cash flows from noncapital financing activities:	
State grants	9,610
Federal grants	<u>1,202,750</u>
Net cash provided (used) by noncapital financing activities	1,212,360
Cash flows from investing activities:	
Receipt of interest income	37,924
Purchase of assets	-
Net transfers	<u>(66,195)</u>
Net cash provided (used) by investing activities	<u>(28,271)</u>
Net increase (decrease) in cash and cash equivalents	38,971
Balances, beginning of year	<u>743,138</u>
Balances, end of year	<u><u>\$ 782,109</u></u>
Reconciliation of change in operating income to net cash provided (used) by operating activities:	
Operating Income (Loss)	\$ (1,358,223)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	11,521
State on-behalf payments	125,917
Donated commodities	58,690
GASB 68 expense	(27,823)
GASB 75 expense	29,326
Change in Assets and Liabilities:	
(Increase) decrease in inventory	13,482
Increase (decrease) in accounts payable	<u>1,992</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,145,118)</u></u>
Schedule of non-cash transactions:	
On behalf payments from the state for employee benefits	\$ 125,917
Donated commodities received from federal government	58,690
Gasb 68 & 75 expenses (net)	1,503

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	<u>Trust Fund</u>	<u>Scholarship Fund</u>
Assets		
Cash and cash equivalents	\$ 53,138	\$ 1,108,247
Investments - certificates of deposit	<u>-</u>	<u>20,000</u>
Total assets	<u>53,138</u>	<u>1,128,247</u>
Liabilities		
Accounts payable	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Net position		
Held in trust	<u>53,138</u>	<u>1,128,247</u>
Total liabilities and net position	<u>\$ 53,138</u>	<u>1,128,247</u>

See accompanying notes to financial statements.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY
FUNDS
For the Year Ended June 30, 2024

	Trust Fund	Scholarship Fund
Additions		
Interest Income	\$ -	\$ 38
Donations	-	-
Total additions	-	38
Deductions		
Benefits paid	-	30,000
Change in net position	-	(29,963)
Net position - beginning	53,138	1,158,209
Net position - ending	\$ 53,138	\$ 1,128,247

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Green 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 Green 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 and account groups relevant to the operation of the Green County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as 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:

Green County Board of Education Finance Corporation – The Green County Board of Education has established the Green County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation’s Board of Directors.

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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.

In the government-wide statement of net position and statement of activities both governmental and business-like activities are presented using the accrual basis of accounting. Under accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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:

- Governmental Fund Types
 1. The General Fund is the main operating fund of the Board. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of the District.
 2. The Special Revenue (Grant) Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the 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 and Notes to the Schedule of Expenditures of Federal awards included in this report on pages 61 through 63. This is a major fund of the District.
 3. The District Activity Fund is a Special Revenue Fund type and is used to account for funds received at the school level.
 4. 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).
 - a. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the district's facility plan.
 - b. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the district's facility plan. This is a major fund of the District.
 - c. The Construction Fund includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.
 5. The Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky Law.
- Proprietary Fund Types (Enterprise Fund)
 1. The Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.
 2. Operating revenues in the proprietary funds are the revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Fiduciary Fund Types

1. The Agency Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds comply with *Accounting Procedures for Kentucky School Activity 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 non-exchange transactions must also be available before it can be recognized.

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

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

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

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

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

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2024, to finance the General Fund operations were \$.551 per \$100 valuation for real property, \$.551 per \$100 valuation for business personal property and \$.539 per \$100 valuation for motor vehicles.

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

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of 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.

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

Description	Governmental Activities Estimated Lives
Buildings and improvements	40 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-14 years
Food service equipment	7 years
Furniture and fixtures	7 years
Other	7 years

Inter-fund Balances

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

Budgetary Process

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

- Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- The budget can be amended after initial approval.
- 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.
- On-Behalf payments were not considered in the budget.

Encumbrances

Encumbrances are not liabilities and, therefore, are not reported as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are re-appropriated in the next year. There were no outstanding encumbrances at year-end.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

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

Inventories

The only inventory maintained by the District consists of expendable supplies held for consumption and is accounted for in the Enterprise Fund. Inventory consists of donated and purchased food held for resale and is expensed when used. Purchased food is valued at cost and the U.S. Government donated commodities value is determined by the U.S. Department of Agriculture.

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 an expenditure/expense is reported in the year in which services are consumed.

Receivables

The District recognizes revenues as receivable when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions.

Accrued Liabilities and Long-Term Obligations

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

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

Postemployment Benefits Other Than OPEBs (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 additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance Classification Policies and Procedures

- Non-spendable fund balance-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balances-amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint;

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Assigned fund balance-amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority;
- Unassigned fund balances-amounts that are available for any purpose; positive amounts are reported only in the General Fund

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board has provided otherwise in its commitment or assignment actions.

Net Position

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

Operating Revenues and Expenses

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

Contributions of Capital

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

Inter-fund Activity

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

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Board's policy is to apply restricted net positions first.

NOTE 2 – ESTIMATES

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

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities.

At June 30, 2024, the carrying amount of the District's cash and cash equivalents (cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less) was \$18,723,835 while the bank statements totaled \$20,026,786. Of the total bank balances, \$500,000 was insured by FDIC; collateral agreements were executed and collateral, with a FMV of \$17,835,831 was pledged and held by the pledging bank's trust departments in the District's name to secure the remainder of deposits.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 3 – CASH AND INVESTMENTS - CONTINUED

Due to the nature of the accounts and certain limitations on the use of the funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Special Revenue Fund, Debt Service Fund, Food Service Fund and Agency Fund.

Kentucky Revised Statutes authorizes the District to invest in the following: obligations of the United States Government and of its agencies and instrumentalities, repurchase agreements and specially approved AAA rated corporate bonds; bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities; certificates of deposit or other interest bearing accounts issued by any bank or savings and loan institution up to FDIC insured amount, and in larger amounts provided that the bank pledges as security obligations having a current market value at least equal to any uninsured deposits.

The District held no investments at June 30, 2024.

NOTE 4 – CAPITAL ASSETS

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

	Balance June 30, 2023	Additions	Transfers/ Retirements	Balance June 30, 2024
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 524,019	\$ 100,000	\$ -	\$ 624,019
Construction in Progress	\$ 15,803,821	\$ 15,302,181	-	\$ 31,106,002
Total Capital Assets not being Depreciated	<u>16,327,840</u>	<u>15,402,181</u>	<u>-</u>	<u>31,730,021</u>
Capital Assets, being Depreciated:				
Land Improvements	1,211,743	20,400	-	1,232,143
Buildings and Building Improvements	31,300,420	-	-	31,300,420
Technology equipment	1,642,044	50,113	-	1,692,157
Vehicles	3,808,714	509,056	-	4,317,770
Intangible Right to Use Assets	22,211	-	-	22,211
General Equipment	885,780	224,969	-	1,110,749
Totals at historical cost	<u>38,870,912</u>	<u>804,538</u>	<u>-</u>	<u>39,675,450</u>
Less accumulated depreciation for:				
Land Improvements	667,216	31,992	-	699,208
Buildings and Building Improvements	12,896,345	714,283	-	13,610,628
Technology Equipment	1,620,464	2,115	-	1,622,579
Vehicles	2,428,023	192,275	-	2,620,298
Intangible Right to Use Assets	22,211	-	-	22,211
General Equipment	527,146	35,214	-	562,360
Construction	-	-	-	-
Total accumulated depreciation	<u>18,161,405</u>	<u>975,879</u>	<u>-</u>	<u>19,137,284</u>
Governmental Activities Capital Net	<u>\$ 37,037,347</u>	<u>\$ 15,230,840</u>	<u>\$ -</u>	<u>\$ 52,268,187</u>

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Proprietary Activities				
Technology Equipment	\$ 34,717	\$ -	\$ -	\$ 34,717
General Equipment	738,898	-	-	738,898
Construction	-	-	-	-
Totals at historical cost	<u>773,615</u>	<u>-</u>	<u>-</u>	<u>773,615</u>
Less Accumulated Depreciation For:				
Technology Equipment	38,852	-	-	38,852
General Equipment	631,193	11,521	-	642,714
Construction	-	-	-	-
Total Accumulated Depreciation	<u>670,045</u>	<u>11,521</u>	<u>-</u>	<u>681,566</u>
Proprietary activities capital assets, net	<u>\$ 103,570</u>	<u>\$ (11,521)</u>	<u>\$ -</u>	<u>\$ 92,049</u>

Depreciation expense charged to governmental functions as follows:

Plant Operation and Maintenance	\$ 598,343
Instruction	187,460
Student Transportation	181,782
Instructional Staff Support	5,376
School Admin Support	2,209
District Admin Support	342
Community Services	305
Instructional Staff Support	62
Total	<u>\$ 975,879</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The original amount of the issue, the issue dates, and interest rates are summarized below:

Issue	District Original Amount	SFCC		Maturity Dates
		Original Amount	Interest Rate Ranges	
Issue of 2004	\$ -	\$ 845,000	3.75%	June 30, 2024
Issue of 2015	3,089,283	4,270,717	2.00%	August 1, 2027
Issue of 2016 - Energy Savings	2,508,815	601,185	2.00%	October 1, 2036
Issue of 2016 - School Refunding	1,504,586	140,414	2.49%	August 1, 2029
Issue of 2017	400,000	-	3.63%	April 1, 2029
Issue of 2021	18,221,361	7,608,639	2%-2.375%	October 1, 2041
Issue of 2022	1,730,000	-	3%-3.125%	June 1, 2032
Issue of 2023	1,600,000	-	3%-3.25%	February 1, 2033

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Green County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

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

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2023 for debt service (principal and interest) are as follows:

Year	Green County School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2024-2025	1,221,902	635,029	868,098	198,689	2,923,718
2025-2026	1,260,399	603,200	884,601	180,459	2,928,659
2026-2027	1,290,097	573,368	904,903	161,513	2,929,881
2027-2028	1,528,512	540,015	906,488	141,685	3,116,700
2028-2029	1,569,592	504,312	405,408	127,476	2,606,788
2030-2034	7,913,750	1,870,618	2,091,250	510,358	12,385,976
2035-2039	7,048,894	1,014,645	2,226,106	281,551	10,571,196
2040-2044	5,425,362	257,544	1,339,638	49,197	7,071,741
Totals	\$ 27,258,508	\$ 5,998,731	\$ 9,626,492	\$ 1,650,928	\$ 44,534,659

Total interest incurred for the year ended June 30, 2023 was \$540,389, all of which was charged to expense.

KISTA Bus Leases

The District entered into a capital lease in March 2015 with the Kentucky Inter-local Transportation Association (KISTA) upon purchase of four school buses. Principal payments are due annually on March 1. Interest is stated at an average of 2.309% and is due semi-annually on September 1 and March 1.

Copier Leases

The District has implemented GASB Statement No. 87, *Leases* and as a result has recorded \$22,211 as intangible right to use and accumulated amortization of \$14,807 in the governmental fund capital assets as of June 30, 2021 for the District’s copier lease agreements. The District also recorded a lease liability of \$7,739 as of June 30, 2021. (See Note 17). A borrowing rate of 4.5% was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2022.

Annual requirements to amortize the lease liabilities and related interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 37,671	\$ 968
	<u>\$ 37,671</u>	<u>\$ 968</u>

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

Long-term liability the fiscal year ended June 30, 2024 was as follows:

A summary of the changes in the outstanding bonds during the fiscal year ended June 30, 2023:

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Revenue Bonds Payable	\$ 35,905,000	\$ 3,300,000	\$ 1,865,000	\$ 37,340,000	\$ 2,080,000
Capital Lease Payable	115,443	-	41,772	73,671	36,000
Accrued Sick Leave	268,833	-	1,971	266,862	133,431
Net OPEB Liability - CERS	1,570,333	-	78,862	1,491,471	-
Net OPEB Liability - KTRS	2,677,000	1,544,000	-	4,221,000	-
Net pension liability	5,230,984	233,262	-	5,464,246	-
Governmental Activities					
Long-term Liabilities	<u>\$ 45,767,593</u>	<u>\$ 5,077,262</u>	<u>\$ 1,987,605</u>	<u>\$ 48,857,250</u>	<u>\$ 2,249,431</u>

The debt service fund is primarily responsible for paying bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying accrued vacation and sick leave.

NOTE 6 – ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District’s past experience of making termination payments. As of June 30, 2024, management has estimated the accrued sick leave liability obligation will be approximately \$300,053. The entire sick leave liability is reported on the government-wide financial statements.

NOTE 7 – RETIREMENT PLANS

Kentucky Teacher’s Retirement

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

General information about the County Employees retirement system Non-Hazardous (“CERS”)

Plan description - Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 For the Year Ended June 30, 2024

NOTE 7 – RETIREMENT PLANS – CONTINUED

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

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

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

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

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The district’s contribution requirement for CERS for the years ended June 30, 2024, 2023, and 2022 was \$615,187, \$619,439, and \$534,601 from the District and \$130,517, \$131,136 and 139,650 from employees. The total covered payroll for CERS during the years ended June 30, 2024, 2023 and 2022 was \$2,635,760, \$2,647,176, and \$2,525,277.

General information about the Teachers’ Retirement System of the State of Kentucky (“KTRS”)

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

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

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

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 7 – RETIREMENT PLANS - CONTINUED

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

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

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

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.640 % of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.425% of their salary to KTRS.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 13.105% 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.

During the years ended June 30, 2024, 2023, and 2022 contributions of \$2,376,369, \$3,644,018 and \$2,432,581 were made by the State of Kentucky and \$35,340, \$40,670 and \$38,640 in contributions were passed through the District’s federally funded programs. Employee contributions for the years ended June 30, 2024, 2023, and 2022 totaled \$1,117,965, \$1,166,476 and \$1,132,607. All payments were made to the retirement system in the amount of the annually required contributions.

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

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

District's proportionate shares of the CERS net pension liability	\$	5,796,032
Commonwealth's proportionate share of the KTRS net pension liability associated with the District		39,506,615
	\$	45,302,647

The net pension liability for each plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Districts proportion of the net pension liability for CERS 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. At June 30, 2023, the Districts proportion was 0.090330% percent.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 7 – RETIREMENT PLANS - CONTINUED

For the year ended June 30, 2024, the District recognized pension expense of \$296,992 related to CERS and 5,247,466 related to KTRS. The District also recognized revenue of \$2,376,369 for KTRS support provided by the Commonwealth. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 300,049	\$ 15,749
Changes of assumptions	-	531,210
Net difference between projected and actual earnings on pension plan investments	626,136	705,197
Changes in proportion and differences between District contributions and proportionate share of contributions	9,979	182,429
District contributions subsequent to the measurement date	<u>615,187</u>	<u>-</u>
Total	<u>\$ 1,551,351</u>	<u>\$ 1,434,585</u>

The District reported \$615,187 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2025	(339,419)
2026	(232,282)
2027	129,391
2028	(56,111)

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

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	3.00%
Payroll growth rate	2%	
Projected salary increases	3.30%- 10.30%	3.5%-7.30%
Investment rate of return, net of investment expense & inflation	6.25%	7.50%

For CERS, the mortality table used for active members was PUB-2010 General Mortality table, for the Nonhazardous Plans, and the Pub-2010 Public Safety Mortality table for the Hazardous Plans, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for non-disabled retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a four-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 7 – RETIREMENT PLANS - CONTINUED

For KTRS, Mortality rates were based on the PUB-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The assumed long-term investment rate of return was changed from 7.50 percent to 7.10 percent and the price inflation assumption was lowered from 3.0 percent to 2.5 percent. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

Discount rate—for CERS, the projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Comprehensive Annual Financial Report (CAFR).

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

Long-term rate of return: For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering the period July 1, 2010 – June 30, 2015 adopted by the Board on November 19, 2016.. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class.

These ranges were 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 then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 7 – RETIREMENT PLANS - CONTINUED

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	7,317,841	5,796,032	4,531,352
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net positions—detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports of both CERS and KTRS.

DEFERRED COMPENSATION:

The District also offers employees the option to participate in a defined contribution plan under Section 403(B), 401(K) and 457 of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amount allowable by law. The District does not contribute to these plans. For the year ended June 30, 2024, employee contributed approximately \$100,782 to the plan.

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan – CERS

Medical Insurance Plan

Plan description - Employees whose positions do not require a degree beyond a high school diploma are covered by the Kentucky Retirement Systems’ Insurance Fund, a component of the cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided – To be eligible for medical benefits, the member must have retired either for service or disability. The Kentucky Retirement Systems’ Insurance Fund offers coverage for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance based on years of service.

Contributions – In order to fund the post-retirement healthcare benefit, for Tier 1 plan members (those participating prior to September 1, 2008) 5.26% of the gross annual payroll of members is contributed, all of which is paid by the District. For Tier 2 plan members (those participating on, or after September 1, 2008 and before January 1, 2014 an additional 1% of the gross annual payroll is contributed by the plan member. Tier 3 plan members (those whose participation began after January 1, 2014) also contribute an additional 1% of their annual payroll into a Cash Balance Plan. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

General Information about the OPEB Plan - KTRS

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

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

Medical Insurance Plan

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

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

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

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

At June 30, 2024, the District reported a liability of \$2,702,021 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District’s proportion was 0.090327% for CERS and 0.121478% for KTRS.

The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate shares of the net OPEB liability	\$ 2,702,021
Commonwealth's proportionate share of the net OPEB liability associated with the District	2,494,000
	\$ 5,196,021

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

For the year ended June 30, 2024, the District recognized OPEB expense of (\$278,781) and revenue of \$194,010 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 86,943	\$ 2,773,779
Changes of assumptions	918,425	171,036
Net difference between projected and actual earnings on OPEB plan investments	288,393	262,336
Changes in proportion and differences between District contributions and proportionate share of contributions	1,237,554	1,340,883
District contributions subsequent to the measurement date	40,734	-
Total	\$ 2,572,049	\$ 4,548,034

Of the total amount reported as deferred outflows of resources related to OPEB, \$40,734 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2025	(559,556)
2026	(616,787)
2027	(316,298)
2028	(305,079)
2029	(99,000)
Thereafter	(120,000)

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Additional Category: High Yield	8.0%	1.7%
Other Additional Categories	9.0%	2.2%
Cash (LIBOR)	1.0%	-0.3%
Total	100.0%	

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 For the Year Ended June 30, 2024

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Discount rate - The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CERS – The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

Discount rate – For CERS, the projection of cash flows used to determine the discount rate of 5.20% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contributions rate of projected compensation over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 6.56%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2017. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS:	4.93%	5.93%	6.93%
District's proportionate share of net OPEB liability	234,036	(124,712)	(425,119)
KTRS:	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	3,806,000	2,959,000	2,259,000

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Districts' net OPEB liability	(399,722)	(124,712)	213,113

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

Life Insurance Plan

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

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 For the Year Ended June 30, 2024

NOTE 8 - POST EMPLOYMENT BENEFIT PLAN - CONTINUED

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

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

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

At June 30, 2023, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate shares of the net OPEB liability	\$	-
Commonwealth's proportionate share of the net OPEB liability associated with the District		62,000
	<u>\$</u>	<u>62,000</u>

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

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers’ compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers’ Compensation fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving a ninety (90) day notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the members on a pro rata basis.

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

NOTE 10 - CONTINGENCIES

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

NOTE 11 – 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).

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 12 - DEFICIT OPERATING/FUND BALANCES

There are no funds of the District that currently have a deficit balance. In addition, the following fund had operations that resulted in a current year deficit of expenditures over revenues resulting in a corresponding reduction of fund balance:

Building Fund \$1

NOTE 13 - TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	Special Revenue	General Fund	Cost Transfer	\$ 66,344
Operating	Building Fund	General Fund	Cost Transfer	302,736
Operating	Capital Outlay	General Fund	Cost Transfer	149,042
Operating	General Fund	Special Revenue	KSSTA Matching	30,007
Operating	General Fund	Debt Service	Debt Service	549,791
Operating	Special Revenue	Debt Service	Debt Service	25,494
Operating	Building Fund	Debt Service	Debt Service	1,236,012
				<u>\$ 2,359,426</u>

NOTE 14 – ON-BEHALF PAYMENTS

The following are the on-behalf payments the District received from the Commonwealth of Kentucky for the year ended June 30, 2023:

TRS - GASB 68	\$ 2,376,369
TRS - GASB 75	200,148
Health Insurance	2,638,745
Life Insurance	3,368
Administrative fees	26,892
Flexible Plans	80,587
Technology	78,394
Debt Service	1,117,615
Less: Federal Reimbursements	<u>(151,410)</u>
Total	<u>\$ 6,370,708</u>

NOTE 15 – LITIGATION

The District is subject to various other legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the combined financial statements as a result of the cases presently in progress.

NOTE 16 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$21,008,969 of restricted net position, none of which is restricted by enabling legislation.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
For the Year Ended June 30, 2024

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

On July 1, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, providing guidance and financial reporting for subscription-based information technology arrangements (SBTAs) for government end users (governments). Implementation of GASB96, *Subscription-Based Information Technology Arrangements* had no impact on the financial statements.

NOTE 18 - SUBSEQUENT EVENTS

Management has reviewed subsequent events through November 15, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
From local sources				
Taxes				
Property	\$ 2,242,644	\$ 2,242,644	\$ 2,272,680	\$ 30,036
Motor vehicles	550,000	550,000	524,864	(25,136)
Utilities	850,000	850,000	656,162	(193,838)
Tuition and fees	2,500	2,500	17,865	15,365
Earnings on investments	150,500	150,500	740,554	590,054
Other local revenues	120,100	120,100	183,383	63,283
Intergovernmental - state	8,416,838	8,408,623	13,560,380	5,151,757
Intergovernmental - direct federal	-	-	-	-
Intergovernmental - indirect federal	50,000	50,000	43,816	(6,184)
Total revenues	<u>12,382,582</u>	<u>12,374,367</u>	<u>17,999,704</u>	<u>5,625,338</u>
Expenditures:				
Instruction	6,943,990	6,990,190	11,045,170	(4,054,979)
Support Services:				
Student	353,287	353,287	396,691	(43,404)
Instructional staff	502,104	503,458	441,287	62,171
District administration	1,979,702	1,907,309	562,386	1,344,923
School administration	939,154	939,154	1,353,154	(413,999)
Business support services	305,873	305,873	681,164	(375,291)
Plant operation and maintenance	1,521,922	1,522,270	1,322,773	199,497
Community service activities			3,455	
Student transportation	1,161,998	1,161,998	1,560,744	(398,746)
Miscellaneous	44,536	44,536	-	44,536
Total expenditures	<u>13,752,566</u>	<u>13,728,075</u>	<u>17,366,824</u>	<u>(3,635,294)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,369,984)</u>	<u>(1,353,708)</u>	<u>632,880</u>	<u>1,990,044</u>
Other financing sources (uses)				
Proceeds from sale of assets	-	-	2,317	2,317
Operating transfers in	468,054	451,778	518,122	66,344
Operating transfers out	(574,277)	(574,277)	(579,947)	(5,670)
Total other financing sources (uses)	<u>(106,223)</u>	<u>(122,499)</u>	<u>(59,508)</u>	<u>62,991</u>
Net change in fund balance	(1,476,207)	(1,476,207)	573,372	2,053,036
Fund balance June 30, 2023	1,476,207	1,476,207	3,627,215	2,151,008
Fund balance June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,200,587</u>	<u>\$ 4,204,044</u>

On-Behalf Payments of \$5,167,739 are not budgeted by the Green County School District.

GREEN COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Earnings and investments	\$ -	\$ -	\$ -	\$ -
Other local revenues	-	-	27,276	27,276
Intergovernmental - state	25,494	1,207,975	1,308,531	100,556
Intergovernmental - indirect federal	-	1,270,350	3,801,940	2,531,590
Intergovernmental - direct federal	-	-	-	-
Total revenues	<u>25,494</u>	<u>2,478,325</u>	<u>5,137,747</u>	<u>2,659,424</u>
Expenditures:				
Instruction	-	2,197,304	4,713,209	(2,515,905)
Support services:				
Student	-	6,435	5,286	1,149
Instructional staff	-	7,903	6,412	1,491
District administration	-	-	-	-
School administration	-	39,888	74,554	(34,666)
Business support services	-	-	-	-
Plant operations and maintenance	-	-	140,540	(140,540)
Student transportation	-	-	249	(249)
Food service operation	-	-	-	-
Community service activities	-	190,827	202,008	(11,181)
Total expenditures	<u>-</u>	<u>2,442,357</u>	<u>5,142,258</u>	<u>(2,699,901)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>25,494</u>	<u>35,968</u>	<u>(4,511)</u>	<u>(40,479)</u>
Other financing sources (uses)				
Operating transfers in	-	6,435	30,007	23,572
Operating transfers out	(25,494)	(31,929)	(25,494)	6,435
Total other financing sources (uses)	<u>(25,494)</u>	<u>(25,494)</u>	<u>4,513</u>	<u>30,007</u>
Net change in fund balance	-	10,474	2	(10,472)
Fund balance June 30, 2023	-	-	496	496
Fund balance June 30, 2024	<u>\$ -</u>	<u>\$ 10,474</u>	<u>\$ 498</u>	<u>\$ (9,976)</u>

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY
June 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.090330%	0.090808%	0.097864%	0.093057%	0.092199%	0.099000%	0.099000%	0.097000%	0.09500%	0.09600%	0.096000%
District's proportionate share of the net pension liability (asset)	\$5,796,032	\$6,564,523	\$6,239,598	\$7,047,964	\$6,484,397	\$5,926,232	\$5,182,686	\$4,786,834	\$4,105,717	\$3,126,271	\$3,642,608
District's covered-employee payroll	\$2,647,176	\$2,525,277	\$2,500,145	\$2,353,670	\$2,312,726	\$2,413,003	\$2,411,274	\$2,318,017	\$2,751,499	\$2,692,947	\$2,752,000
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	218.95%	259.95%	249.57%	299.45%	280.38%	245.60%	214.94%	206.51%	149.22%	116.09%	132.36%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%	61.22%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 615,187	\$ 619,439	\$ 534,601	\$ 482,528	\$ 454,258	\$ 377,776	\$ 349,402	\$ 337,855	\$ 288,863	\$ 284,109	\$ 303,429
Contributions in relation to the contractually required contribution	(615,187)	(619,439)	(534,601)	(482,528)	(454,258)	(377,776)	(349,402)	(337,855)	(288,863)	(284,109)	(303,429)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$2,635,760	\$2,647,176	\$2,525,277	\$2,500,145	\$2,353,670	\$2,312,726	\$2,413,003	\$2,411,274	\$2,318,017	\$2,751,499	\$2,692,947
Contributions as a percentage of covered-employee payroll	23.34%	23.40%	21.17%	19.30%	19.30%	16.33%	14.48%	14.01%	12.46%	10.33%	11.27%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS
 For the Year Ended June 30, 2024

NOTE 1 – ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2024

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2023 (the most current available):

Valuation date	June 30, 2019
Experience study	July 1, 2013 to June 30, 2018
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Remaining amortization period	30 years, closed
Payroll growth rate	2% for CERS Nonhazardous and Hazardous, and 0.0% for KERS Nonhazardous and Hazardous
Investment return	6.25%
Inflation	2.30%
Salary increases, including wage inflation	3.30% to 10.30% varies by service for CERS Nonhazardous rate in accordance with HB 362 enacted in 2018 for CERS Nonhazardous and Hazardous
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS Nonhazardous and Hazardous

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET PENSION LIABILITY
June 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability (asset)	-	-	-	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>\$39,506,615</u>	<u>\$39,938,347</u>	<u>\$30,474,546</u>	<u>\$30,449,398</u>	<u>\$28,445,853</u>	<u>\$28,546,945</u>	<u>\$59,598,406</u>	<u>\$65,292,294</u>	<u>\$51,227,708</u>
Total	<u>\$39,506,615</u>	<u>\$39,938,347</u>	<u>\$30,474,546</u>	<u>\$30,449,398</u>	<u>\$28,445,853</u>	<u>\$28,546,945</u>	<u>\$59,598,406</u>	<u>\$65,292,294</u>	<u>\$51,227,708</u>
District's covered-employee payroll	7,594,004	7,594,004	7,402,151	7,537,493	7,194,157	7,376,668	7,442,386	7,361,773	7,292,271
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,667,513	\$ 7,680,994	\$ 7,594,004	\$ 7,402,151	\$ 7,357,493	\$ 7,194,157	\$ 7,376,668	\$ 7,442,386	\$ 7,361,773	\$ 7,292,271
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY
June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.090327%	0.090792%	0.090792%	0.097841%	0.091864%	0.092176%	0.99%	0.99%	0.97%
District's proportionate share of the net OPEB liability (asset)	\$ (124,712)	\$ 1,791,792	\$ 1,791,792	\$ 1,873,117	\$ 2,218,236	\$ 1,550,359	\$ 1,727,578	\$ 1,996,390	\$ 1,565,909
District's covered-employee payroll	\$ 2,647,176	\$ 2,525,277	\$ 2,525,277	\$ 2,500,145	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	-4.71%	70.95%	70.95%	74.92%	94.25%	67.04%	71.59%	82.79%	67.55%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%	Unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ -	\$ 89,739	\$ 145,961	\$ 173,448	\$ 112,035	\$ 122,509	\$ 113,411	\$ 114,556	\$ 107,917	\$ 109,633	\$ 113,731
Contributions in relation to the contractually required contribution	-	(89,739)	(145,961)	(173,448)	(112,035)	(122,509)	(113,411)	(114,556)	(107,917)	(109,633)	(113,731)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,635,760	\$ 2,647,176	\$ 2,525,277	\$ 2,500,145	\$ 2,353,670	\$ 2,312,726	\$ 2,413,003	\$ 2,411,274	\$ 2,318,017	\$ 2,751,499	\$ 2,692,947
Contributions as a percentage of covered-employee payroll	0.00%	3.39%	5.78%	6.94%	4.76%	5.30%	4.70%	4.75%	4.66%	3.98%	4.22%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS OPEB
 For the Year Ended June 30, 2024

NOTE 1 – ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE THE ACTUARIAL DETERMINED CONTRIBUTION FOR FISCAL YEAR 2024

The following actuarial methods and assumptions, for actuarially determined contributions effective for the fiscal year ending June 30, 2023 (the most current available):

Valuation date	June 30, 2019
Experience Study	July 1, 2013-June 30, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining Amortization period	30 years, Closed
Payroll Growth Rate	2.0% for CERS Nonhazardous and Hazardous, and 0.0% for KERS Nonhazardous and Hazardous
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increases, including wage inflation	3.30% to 10.30% varies by service for CERS Nonhazardous
Investment Rate of Return	6.25%
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 6.25% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 5.50% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS Non-Hazardous and Hazardous

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - MEDICAL INSURANCE
June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB medical insurance liability (asset)	0.121478%	0.170024%	0.124762%	0.115251%	0.111197%	0.113000%	0.117000%	0.117000%
District's proportionate share of the net OPEB liability (asset)	\$ 2,959,000	\$ 4,221,000	\$ 2,677,000	\$ 2,909,000	\$ 3,254,000	\$ 3,912,061	\$ 4,161,623	\$ 4,121,000
Commonwealth's proportionate share of the net OPEB liability (asset) associated with the District	<u>2,494,000</u>	<u>1,387,000</u>	<u>2,174,000</u>	<u>2,330,000</u>	<u>2,628,000</u>	<u>3,371,379</u>	<u>3,399,445</u>	<u>3,365,000</u>
Total	<u>\$ 5,453,000</u>	<u>\$ 5,608,000</u>	<u>\$ 4,851,000</u>	<u>\$ 5,239,000</u>	<u>\$ 5,882,000</u>	<u>\$ 7,283,440</u>	<u>\$ 7,561,068</u>	<u>\$ 7,486,000</u>
District's covered-employee payroll	7,594,004	7,594,004	7,402,151	6,784,673	6,450,905	6,698,382	6,664,930	6,608,372
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	38.96%	55.58%	36.17%	42.88%	50.44%	58.40%	62.44%	62.36%
Plan fiduciary net position as a percentage of the total pension liability	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%	unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB MEDICAL INSURANCE
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>
Contractually required contribution	\$ 260,025	\$ 230,430	\$ 227,820	\$ 222,018	\$ 203,540	\$ 193,528	\$ 200,986	\$ 199,948	\$ 198,251
Contributions in relation to the contractually required contribution	<u>(260,025)</u>	<u>(230,430)</u>	<u>(227,820)</u>	<u>(222,018)</u>	<u>(203,540)</u>	<u>(193,528)</u>	<u>(200,986)</u>	<u>(199,948)</u>	<u>(198,251)</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	\$ 8,667,513	\$ 7,680,994	\$ 7,594,004	\$ 7,402,151	\$ 6,784,673	\$ 6,450,905	\$ 6,698,382	\$ 6,664,930	\$ 6,608,372
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS OPEB MEDICAL INSURANCE
For the Year Ended June 30, 2024

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Remaining amortization period	26 years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount Rate	7.50%

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB LIABILITY - LIFE INSURANCE
June 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's prportionate share of the net pension liability (asset)	-	-	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 62,000</u>	<u>\$ 69,000</u>	<u>\$ 29,000</u>	<u>\$ 70,000</u>	<u>\$ 61,000</u>	<u>\$ 58,000</u>	<u>\$ 46,000</u>	<u>\$ 32,000</u>
Total	<u>\$ 62,000</u>	<u>\$ 69,000</u>	<u>\$ 29,000</u>	<u>\$ 70,000</u>	<u>\$ 61,000</u>	<u>\$ 58,000</u>	<u>\$ 46,000</u>	<u>\$ 32,000</u>
District's covered-employee payroll	7,680,994	7,594,004	7,402,151	6,784,673	6,450,905	7,376,668	7,442,386	7,361,773
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	76.91%	73.97%	89.15%	71.57%	75.00%	75.00%	79.99%	unavailable

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB LIFE INSURANCE
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>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	\$ 8,667,513	\$ 7,680,994	\$ 7,594,004	\$ 7,402,151	\$ 6,784,673	\$ 6,450,905	\$ 6,698,382	\$ 6,664,930	\$ 6,608,372
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GREEN COUNTY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS NET OPEB LIABILITY - LIFE INSURANCE
 For the Year Ended June 30, 2024

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	26 years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% -7.20%
Discount Rate	7.50%

SUPPLEMENTARY SCHEDULES

GREEN COUNTY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2024

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Non-Major Governmental Funds
Assets and resources:					
Cash & cash equivalents	\$ 67,962	\$ 345,224	\$ 271	\$ 106,142	\$ 519,599
Accounts receivable	1,145	-	-	-	1,145
Total assets and resources	<u>\$ 69,107</u>	<u>\$ 345,224</u>	<u>\$ 271</u>	<u>\$ 106,142</u>	<u>\$ 520,744</u>
Liabilities and fund balance:					
Liabilities:					
Accounts payable	\$ 956	\$ -	\$ -	\$ -	\$ 956
Unearned revenue	-	-	-	-	-
Total liabilities	<u>956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>956</u>
Fund balance					
Restricted - KSFCC escrow prior year	-	-	-	130,628	130,628
Restricted - future construction	-	-	271	-	271
Restricted - debt service	-	-	-	-	-
Restricted-Other	-	345,224	-	(24,486)	320,738
Unassigned	68,151	-	-	-	68,151
Total fund balance	<u>68,151</u>	<u>345,224</u>	<u>271</u>	<u>106,142</u>	<u>519,788</u>
Total liabilities and fund balance	<u>\$ 69,107</u>	<u>\$ 345,224</u>	<u>\$ 271</u>	<u>\$ 106,142</u>	<u>\$ 520,744</u>

GREEN COUNTY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2024

	District Activity Fund	School Activity Funds	SEEK Capital Outlay Fund	Building Fund	Total Other Governmental Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 614,862	\$ 614,862
Earnings on investments	-	-	-	-	-
Intergovernmental - local	-	-	-	-	-
Intergovernmental - state	-	-	149,042	899,400	1,048,442
Other revenue	71,145	939,790	-	-	1,010,935
Total revenues	<u>71,145</u>	<u>939,790</u>	<u>149,042</u>	<u>1,514,262</u>	<u>2,674,239</u>
Expenditures:					
Instruction	82,059	-	-	-	82,059
Student transportation	3,237	-	-	-	3,237
Student Support services	-	904,237	-	-	904,237
Plant operation and maintenance	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Building improvements	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>85,296</u>	<u>904,237</u>	<u>-</u>	<u>-</u>	<u>989,533</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(14,151)</u>	<u>35,553</u>	<u>149,042</u>	<u>1,514,262</u>	<u>1,684,706</u>
Other financing sources (uses)					
Bond issuance proceeds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(149,042)	(1,538,748)	(1,687,790)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(149,042)</u>	<u>(1,538,748)</u>	<u>(1,687,790)</u>
Net change in fund balance	(14,151)	35,553	-	(24,486)	(3,084)
Fund balance June 30, 2023	<u>82,302</u>	<u>309,671</u>	<u>271</u>	<u>130,628</u>	<u>522,872</u>
Fund balance June 30, 2024	<u>\$ 68,151</u>	<u>\$ 345,224</u>	<u>\$ 271</u>	<u>\$ 106,142</u>	<u>\$ 519,788</u>

SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
SCHOOL ACTIVITY FUNDS

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS
For the Year Ended June 30, 2024

	Cash Balance July 1, 2023	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2024
General	\$ 5,312	\$ 15,079	\$ 11,849	\$ 8,542	\$ -	\$ -	\$ 8,542
AP Reim. Account/PSAT	-	36	35	1	-	-	1
Freshman Class	3	-	3	-	-	-	-
Sophomore Class	227	314	541	-	-	-	-
Junior Class	2,775	13,887	16,659	3	-	-	3
Senior Class	98	4,362	1,925	2,535	-	-	2,535
Senior Class Trip	5,580	26,922	29,815	2,687	-	-	2,687
Academic Team	923	-	338	585	-	-	585
Art Club	1,054	260	-	1,314	-	-	1,314
Band	1,230	1,940	2,938	232	-	-	232
Beta	1,602	5,727	4,755	2,574	-	-	2,574
Biology	117	-	-	117	-	-	117
Cultural Diversity	-	85	-	85	-	-	85
Family and Consumer Science	39	-	-	39	-	-	39
FCA	147	-	-	147	-	-	147
FCCLA	186	200	275	111	-	-	111
FCCLA Kroger	13,170	38,656	35,074	16,752	-	-	16,752
Gifted and Talented	155	-	-	155	-	-	155
Greenhouse/FFA	19,821	17,642	15,864	21,599	-	-	21,599
Hall of Fame	-	9,205	4,689	4,516	-	-	4,516
History Club	1,182	1,000	762	1,420	-	-	1,420
Multi Media	190	-	-	190	-	-	190
Opiod Abuse Awareness	1,773	-	638	1,135	-	-	1,135
Pep Club	595	310	561	344	-	-	344
Rotary Interact Club	658	-	-	658	-	-	658
Science	434	-	-	434	-	-	434
SOS	521	-	-	521	-	-	521
Spanish Club	121	229	242	108	-	-	108
STLP	737	-	-	737	-	-	737
TSA Technology Student	1,205	540	1,149	596	-	-	596
Student Council	42	1,717	1,205	554	-	-	554
Unite Club	574	250	169	655	-	-	655
Yearbook	4,892	3,480	5,542	2,830	-	-	2,830
Athletics	-	212,725	206,622	6,103	-	-	6,103
4th Region Golf Account	1,613	-	-	1,613	-	-	1,613
Archery Boosters	5,779	3,225	3,795	5,209	-	-	5,209
Baseball Boosters	2,842	35,260	34,260	3,842	-	-	3,842
Bass Fishing Boosters	2,854	882	2,448	1,288	-	-	1,288
Bowling Boosters	1,643	437	200	1,880	-	-	1,880
Boy's XC Boosters	2,293	9,966	5,940	6,319	-	-	6,319
Boy's Basketball Boosters	11,185	20,989	29,010	3,164	-	-	3,164

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
FOR ACTIVITY FUNDS - CONTINUED
For the Year Ended June 30, 2024

	Cash Balance July 1, 2023	Actual Receipts	Actual Disbursements	Cash Balance June 30, 2024	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2024
Cheerleader Boosters	6,539	53,139	47,907	11,771	-	-	11,771
Esports Boosters	894	-	-	894	-	-	894
Football Boosters	23,609	64,088	64,394	23,303	-	-	23,303
Football Boosters Little	14,360	17,775	13,190	18,945	-	-	18,945
Girl's Basketball Boosters	2,627	3,006	2,681	2,952	-	-	2,952
LL Girl's Basketball	45	3,456	3,009	492	-	-	492
Girl's XC Boosters	8,961	8,172	13,205	3,928	-	-	3,928
LL Cross Country	-	775	402	373	-	-	373
Girl's Golf Boosters	339	471	545	265	-	-	265
Soccer Boosters	973	8,959	6,271	3,661	-	-	3,661
Softball Boosters	5,627	7,661	6,498	6,790	-	-	6,790
Tennis Boosters	67	615	424	258	-	-	258
Track Boosters	7,928	20,895	27,361	1,462	-	-	1,462
Track Boosters - Middle School	1,875	9,252	6,918	4,209	-	-	4,209
Track - Fixed Assets	846	300	500	646	-	-	646
Volleyball Boosters	10,350	14,966	15,440	9,876	-	-	9,876
Wrestling Boosters	792	2,280	652	2,420	-	-	2,420
Concessions	729	2,845	3,109	465	-	-	465
Faculty & Staff	-	2,000	1,397	603	-	-	603
Staff Fundraiser	77	-	-	77	-	-	77
Change Fund	-	800	800	-	-	-	-
Green County High School	182,305	647,405	632,771	196,941	-	-	196,941
Green County Middle School	49,187	172,311	156,022	65,476	-	-	65,476
Green County Intermediate	40,798	62,576	63,446	39,928	-	-	39,928
Green County Primary	26,727	54,385	49,210	31,902	-	-	31,902
Green County Area Tech	9,078	15,080	14,655	9,503	-	-	9,503
Total	<u>\$ 308,095</u>	<u>\$ 951,756</u>	<u>\$ 916,104</u>	<u>\$ 343,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,750</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor <u>Program Title</u>	<u>Federal ALN</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
<u>U.S. Department of Education</u>			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100002-22	\$ 5,286
Title I Grants to Local Educational Agencies	84.010	3100002-22	<u>637,019</u>
			642,305
Special Education Cluster:			
Special Education - Grants to States	84.027	3810002-23	399,027
Special Education - Grants to States	84.027	4910002-21	3,294
Special Education - Preschool Grants	84.173	3800002-23	6,412
Special Education - Preschool Grants	84.173	4900002-21	<u>4,275</u>
Total Special Education Cluster			413,008
Career and Technical Education-Basic Grants to States	84.048	3710002-23	28,373
Career and Technical Education-Basic Grants to States	84.048	3710002-21	2,361
Career and Technical Education-Basic Grants to States	84.048	3710006-23	<u>3,491</u>
			34,225
Title IV Rural & Low Income	84.358	3140002-21	997
Title IV Rural & Low Income	84.358	3140002-23	<u>47,950</u>
			48,947
Supporting Effective instruction State Grants	84.367	3230002-22	<u>89,696</u>
			89,696
Student Support and Academic Enrichment Program	84.424	3420002-21	15,706
Student Support and Academic Enrichment Program	84.424	3420002-22	13,526
Student Support and Academic Enrichment Program	84.424	3420002-22	<u>51,707</u>
			80,939
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4200002-21	2,561
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4300002-21	1,990
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4300002-21	11,831
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	4300002-22	<u>1,531,359</u>
			1,547,741
Total U.S. Department of Education passed through the Kentucky Department of Education			2,856,861

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor <u>Program Title</u>	<u>Federal ALN</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	Not Available	\$ 32,188
Total passed through the Kentucky Office of Vocational Rehabilitation			<u>32,188</u>
Total U.S. Department of Education			2,889,049
 <u>U.S. Department of Agriculture</u>			
Distance Learning and Telemedicine Loans and Grants	10.855		916,316
 Passed through the Kentucky Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	7760005 23	67,759
School Breakfast Program	10.553	7760005 24	241,574
Summer Food Service Program for Children	10.555	9980000 24	53,485
National School Lunch Program	10.555	7750002 23	180,497
National School Lunch Program	10.555	7750002 24	648,198
Total Child Nutrition Cluster			<u>1,191,513</u>
State Administrative Expenses for Child Nutrition	10.560	7700001 23	5,813
			<u>5,813</u>
Total U.S. Department of Agriculture passed through the Kentucky Department of Education			1,197,326
 Passed through the Kentucky Department of Agriculture:			
Commodity Supplemental Food Program	10.565	Not Available	<u>58,690</u>
Total U.S. Department of Agriculture			<u>2,172,332</u>
Total Federal Financial Assistance			<u><u>\$ 5,061,381</u></u>

The accompanying notes are an integral part of this schedule.

GREEN COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at fair value of the commodities disbursed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREEN COUNTY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of audit issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ Yes X No
- Significant deficiencies identified that are Not considered to be material weakness (es)? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs?

- Material weakness(es) identified _____ Yes X No
- Significant deficiencies identified that are Not considered to be material weakness (es)? _____ Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	US Department of Education Passed through the Kentucky Department of Education Special Education Cluster
84.425	US Department of Education Passed through the Kentucky Department of Education Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act

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

Auditee qualified as low-risk auditee? X Yes _____ No

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section II – Financial Statement of Findings

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

GREEN COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2024

Financial Statement of Findings

No matters were reported

Federal awards Findings and Questioned Costs:

No matters were reported

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 *GOVERNMENTAL AUDITING STANDARDS*

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Campbellsville, KY 42743

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 requirements prescribed by the Kentucky State Committee for School District Audits *Independent Auditor's Contract* in Appendices I, and II of the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Green County School 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 Green County School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Green County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Green County School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *State Audit Requirements* section of the *Independent Auditor's Contract*.

Kentucky State Committee for School District Audits
And Members of the Board of Education of
Green County School District
Page 2

Purpose of this Report

The purpose of this report is to solely describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide and 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.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 15, 2024

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Green County School District
Greensburg, KY 42748

Report on Compliance for Each Major Federal Program

We have audited Green County School District's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Green County School District's major federal programs for the year ended June 30, 2024. Green County School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Green County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Green County School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Green County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 Green County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 Green County School District's internal control over compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Green County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Green County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, Kentucky
November 15, 2024

MANAGEMENT LETTER

November 15, 2024

Members of the Board of Education
Green County Board of Education
Campbellsville, Kentucky

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

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters, but we would first like to address the progress of the management letter points from the previous audit.

The management letter from the previous fiscal year discussed three points with respect to strengthening internal controls within the Central Office and one point with respect to strengthening internal controls within the school activity funds.

The following observations were made concerning the prior year and current year management letter points:

PRIOR YEAR COMMENTS:

None Noted

CURRENT YEAR COMMENTS:

None Noted

Sincerely,

Wise, Buckner, Sprowles & Associates, PLLC
Wise, Buckner, Sprowles & Associates, PLLC
Certified Public Accountants
Campbellsville, Kentucky