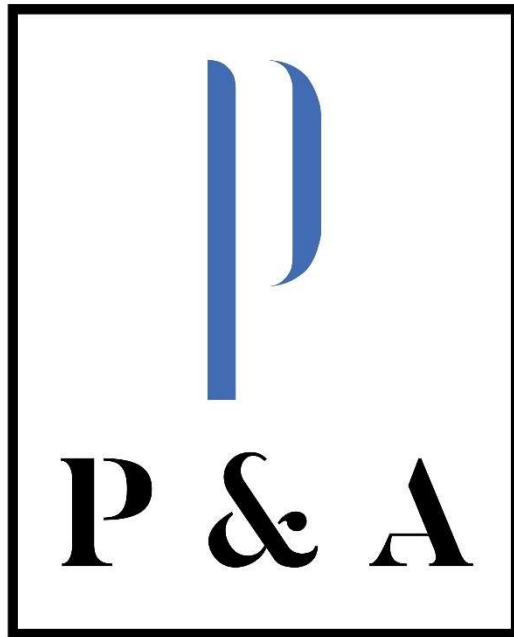


**PULASKI COUNTY BOARD OF EDUCATION**  
**AUDITED FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**



**PATRICK & ASSOCIATES, LLC**

124 Candlewood Drive  
Winchester, KY 40391

Table of Contents

**Independent Auditor’s Report.....1**

**Management Discussion and Analysis .....4**

**Financial Statements.....9**

**Statement of Net Position .....10**

**Statement of Activities.....11**

**Balance Sheet .....12**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....13**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....14**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, .....15**

**and Changes in Fund Balances to the Statement of Activities .....15**

**Budget and Actual General Fund .....16**

**Budget and Actual Special Revenue Fund.....17**

**Statement of Net Position - Proprietary Funds .....18**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....19**

**Statement of Cash Flows - Proprietary Funds .....20**

**Notes to the Financial Statements .....21**

**Schedule of the District’s Proportionate Share of Net Pension Liability – TRS and CERS.....50**

**Schedule of Contributions TRS and CERS - Pension .....51**

**Notes to Required Supplementary Information – Pension .....52**

**Schedule of the District’s Proportionate Share of the Net OPEB Liability Medical & Life Insurance Plans - TRS – OPEB 54**

**Schedule of the Contributions - TRS – OPEB .....55**

**Schedule of District’s Proportionate Share of the Net OPEB Liability – CERS.....56**

**Schedule of Contributions OPEB Liability – CERS .....57**

**Notes to Required Supplementary Information – OPEB.....58**

**Combining Balance Sheet – Non-Major Governmental Funds .....60**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds..61**

**Student Activity Funds – Combining Schedule of Cash Receipts, Cash Disbursements and Cash Balances.....62**

**Student Activity Funds – Pulaski County High School.....63**

**Student Activity Funds – Southwestern High School.....65**

**Schedule of Expenditures of Federal Awards.....67**

**Notes to the Schedule of Expenditures of Federal Awards.....70**

**Independent Auditor’s Report On Internal Control Over Financial Reporting and On Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....71**

**Independent Auditor’s Report On Compliance for Each Major Program And On Internal Control Over Compliance  
Required by the Uniform Guidance.....73**

**Schedule of Findings and Questioned Costs .....76**



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

## Independent Auditor's Report

Kentucky State Committee for School District Audits  
Board of Education of the Pulaski County School District  
Somerset, KY

### 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 Pulaski 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 Pulaski County School District's basic financial statements as listed in the table of contents.

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract, including Appendix II Instructions for Submissions of the Audit Report*. 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 Pulaski 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 Pulaski 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 Pulaski 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 Pulaski 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 and pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pulaski County School District's basic financial statements. The combining and individual nonmajor fund financial statements, school activity fund 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.

### **Supplementary Information (Continued)**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, school activity fund statements, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the Pulaski County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pulaski County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pulaski County School District's internal control over financial reporting and compliance.

### ***Patrick & Associates, LLC***

Patrick & Associates, LLC  
Winchester, Kentucky

December 19, 2024

## Management Discussion and Analysis

As management of the Pulaski County Board of Education (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

### Financial Highlights

- In the government-wide statements, the assets and deferred inflows of the District exceeded its total liabilities and deferred inflows on June 30, 2024 by \$16,245,283. Of this amount, \$21,137,830 represents the District's investment in capital assets net of related debt, \$16,725,076 is restricted for capital projects, \$7,533,162 is restricted for business-type activities and other, and the unrestricted net deficit of \$29,150,784.
- The District's ending net position increased by \$13,872,745, primarily as a result of decreases in NPL and OPEB liability amounts and net increased investments in capital assets.
- The general fund received \$75,104,197 in revenues, which primarily consisted of funding from the State's Support Education Excellence in Kentucky (SEEK) program and revenues from taxes, which include property, motor vehicle and utilities taxes.
- General fund SEEK revenue for the year totaled \$29,110,893 compared to \$33,295,949 in the prior year. This represents a \$4,185,056 decrease from the previous years' funding.
- The District levied tax rates of 52.80 cents for real estate, 52.80 cents tangible, and 50.30 cents motor vehicle per \$100 in assessed value and 3% for utility tax.

### Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and 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 like a private-sector business.

The Statement of Net Position presents information on all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District at year-end with the difference 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 net position of the District 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 for items that will only result in cash flows in future fiscal periods.

In both statements, the District's activities are shown in one category as governmental activities. The governmental activities of the District include services related to K-12 education. These activities are primarily supported through property taxes, Support Education Excellence in Kentucky (SEEK) funding, and other intergovernmental revenues.

The government-wide financial statements begin on page 10 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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

## **Management Discussion and Analysis (continued)**

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general Fund, special revenue fund, district activity fund, student activity fund, capital outlay fund, Facilities Support Program of Kentucky (FSPK) fund, construction fund and the debt service fund.

**Proprietary funds.** The District maintains one type of proprietary fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses the enterprise fund to accounts for its operations for food services and day care services programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

**Fiduciary funds.** Fiduciary fund is used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District does not currently have a fiduciary fund.

### **Notes to the basic 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 basic financial statements start on page 21 this report.

### **Other information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information. This information starts on page 50 of this report.

The District adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for the general and special revenue fund.

## Management Discussion and Analysis (continued)

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$8,973,267 for governmental activities and \$7,272,016 for business-type activities at the close of the fiscal year.

#### Pulaski County Board of Education Comparative Statement of Net Position

	Governmental Activities		Business-type Activities	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Assets</b>				
Current and other assets	\$ 47,863,084	\$ 75,329,732	\$ 8,355,993	\$ 7,106,940
Net capital assets	120,738,397	90,995,580	1,030,565	221,155
Total assets	<u>168,601,481</u>	<u>166,325,312</u>	<u>9,386,558</u>	<u>7,328,095</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension differences and contributions made after measurement date	20,504,702	22,804,527	964,742	601,910
Deferred saving from refunding bonds	836,830	1,017,855	-	-
Total deferred outflows of resources	<u>21,341,532</u>	<u>23,822,382</u>	<u>964,742</u>	<u>601,910</u>
Total assets and deferred outflows of resources	<u>189,943,013</u>	<u>190,147,694</u>	<u>10,351,300</u>	<u>7,930,005</u>
<b>Liabilities</b>				
Current liabilities	18,194,333	19,101,070	42,884	28,693
Non-current liabilities:				
Debt service due in more than one year	98,239,501	103,699,915	-	-
Net pension liability	26,649,612	28,880,761	1,253,858	1,177,290
Other post-employment benefits liability	11,649,505	25,826,502	548,106	849,803
Total liabilities	<u>154,732,951</u>	<u>177,508,248</u>	<u>1,844,848</u>	<u>2,055,786</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources - pensions	6,045,317	4,793,331	284,431	295,368
Deferred inflows of resources - OPEB	20,191,478	12,493,836	950,005	575,135
Total deferred inflows of resources	<u>26,236,795</u>	<u>17,287,167</u>	<u>1,234,436</u>	<u>870,503</u>
Total liabilities and deferred inflows of resources	<u>180,969,746</u>	<u>194,795,415</u>	<u>3,079,284</u>	<u>2,926,289</u>
<b>Net position</b>				
Net Investment in Capital Assets	20,107,265	(14,972,973)	1,030,565	221,155
Restricted	16,725,076	41,777,283	-	-
Other	1,291,711	1,268,433	6,241,451	4,782,561
Unrestricted	(29,150,785)	(32,720,464)	-	-
Total net position	<u>\$ 8,973,267</u>	<u>\$ (4,647,721)</u>	<u>\$ 7,272,016</u>	<u>\$ 5,003,716</u>

A significant portion of the District's net position reflects its net investment in capital assets (e.g., buildings, vehicles, and equipment.) The District used the capital assets to provide services to 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.



**Management Discussion and Analysis (continued)**

There were decreases in the deferred outflows of resources by \$2,118,018, a decrease in the net pension liability by \$2,154,581, a decrease in the other post-employment benefit liability of \$14,478,694 and an increase of \$9,313,561 reported in deferred inflows. These changes are from the calculation of the pension liability for the District’s proportionate share of the pension and other post-employment benefit liabilities.

**Changes in net position.** District’s net position increased by \$13,872,745 from the prior fiscal year.

**Pulaski County Board of Education Comparative Statement of Activities**

Revenues	June 30, 2024	June 30, 2023	Increase (Decrease)
Program revenues			
Charges for services	\$ 1,346,778	\$ 1,437,575	\$ (90,797)
Operating grants and contributions	57,575,781	57,015,954	559,827
Capital grants and contributions	561,752	500,382	61,370
General revenues			
Property taxes	20,147,317	19,026,344	1,120,973
Motor vehicle taxes	3,131,641	3,104,408	27,233
Franchise taxes	1,059,219	1,258,194	(198,975)
Utility taxes	3,398,823	3,304,636	94,187
State formula grants	29,110,893	33,295,949	(4,185,056)
Other local revenue	2,683,007	3,651,153	(968,146)
Unrestricted investment earnings	3,421,636	1,473,159	1,948,477
Total revenues	<u>122,436,847</u>	<u>124,067,754</u>	<u>(1,630,907)</u>
Expenses			
Instruction	61,581,956	66,238,197	(4,656,241)
Support services	14,254,723	13,611,467	643,256
Plant operations and maintenance	10,320,568	9,679,163	641,405
Student transportation	2,889,890	5,997,367	(3,107,477)
Community Services Operations	1,294,122	1,459,400	(165,278)
Site improvements	3,829,324	150,390	3,678,934
Debt Service	3,620,265	2,706,293	913,972
Depreciation	3,501,736	3,506,847	(5,111)
Food service operations	6,060,847	5,746,175	314,672
Day care operations	1,210,671	563,773	646,898
Total Expenses	<u>108,564,102</u>	<u>109,659,072</u>	<u>(1,094,970)</u>
Change in net position	13,872,745	14,408,682	(535,937)
Net position - beginning	2,372,538	(12,036,144)	14,408,682
Net position - ending	<u>\$ 16,245,283</u>	<u>\$ 2,372,538</u>	<u>\$ 13,872,745</u>

As noted earlier, the District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

## **Management Discussion and Analysis (continued)**

### **Governmental Activities**

The governmental activities include the following funds: general, special revenue, district activity, student activity, capital outlay, facility support program, construction, and debt service. These programs had revenues of \$114,811,434 and expenditures of \$101,190,446. Of the revenues, \$38,434 related to charges for services, \$51,503,531 from grants and contributions, and \$63,269,469 was related to general revenues and transfers.

Overall governmental net position increased by \$13,620,988 which can mainly be attributed to increased investments in capital assets coupled with decreases in general NPL and OPEB liability amounts offset by increases in deferred inflow amounts.

### **Business-Type Activities**

The business-type activities are food service and daycare services. These programs had revenues of \$7,625,413 and expenses of \$7,373,656 for the fiscal year 2024. Of the revenues, \$1,308,344 related to charges for services, \$6,634,002 from operating grants and contributions, (\$316,933) related to general revenues and transfers.

Overall Business-Type net position increased by \$251,757 which can mainly be attributed to increases in total assets and deferred outflow balances coupled with decreases in total liability balances offset by increases in deferred inflow balances in federal funding.

### **General Fund Budget Highlights**

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process. The most significant budgeted fund is the General Fund.

A variance comparison is presented between the final budgeted amounts and the actual amounts. Revenues for the General Fund were budgeted at \$79,223,697 with actual amounts totaling \$75,104,197. Budgeted expenditures were \$99,015,985 compared to actual expenditures of \$75,909,814.

### **Capital Assets**

At the end of the fiscal year 2024, the District had \$121,768,962 invested in capital assets, \$120,738,397 is in governmental activities. For the fiscal year, capital asset increases totaled \$33,226,985 and depreciation totaled \$3,501,736. At June 30, 2023, the District had \$92,043,713 invested in capital assets, \$90,995,580 is in governmental activities. See detailed table in the notes to the financial statements.

### **Debt**

At June 30, 2024, the District had \$98,230,000 in bonds outstanding, of this amount \$3,881,001 is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$5,030,000 is due within one year. At June 30, 2023, the District had \$102,877,498 in bonds outstanding. See detailed table in the notes to the financial statements.

### **Request for Information**

This financial report is designed to provide a general overview of the Pulaski County Board of Education's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to [rebecca.wright@Pulaski.kyschools.us](mailto:rebecca.wright@Pulaski.kyschools.us).

## Financial Statements

PULASKI COUNTY BOARD OF EDUCATION

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 39,721,169	\$ 8,091,849	\$ 47,813,018
Receivables			
Taxes - current	748,463	-	748,463
Accounts	16,408	47,031	63,439
Intergovernmental - state	48,461	-	48,461
Intergovernmental - federal	5,692,060	59,236	5,751,296
Interfund receivables	1,608,357	-	1,608,357
Prepaid expenses	28,166	-	28,166
Inventory	-	157,877	157,877
Total capital assets, net of depreciation	<u>120,738,397</u>	<u>1,030,565</u>	<u>121,768,962</u>
Total assets	<u>168,601,481</u>	<u>9,386,558</u>	<u>177,988,039</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions	8,170,597	384,425	8,555,022
Deferred outflows - OPEB contributions	12,334,105	580,317	12,914,422
Deferred saving from refunding bonds	836,830	-	836,830
Total deferred outflows of resources	<u>21,341,532</u>	<u>964,742</u>	<u>22,306,274</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>189,943,013</u>	<u>10,351,300</u>	<u>200,294,313</u>
<b>LIABILITIES</b>			
Accounts payable	4,747,111	42,884	4,789,995
Interfund payables	1,608,357	-	1,608,357
Accrued interest payable	1,234,634	-	1,234,634
Unearned revenue	3,894,194	-	3,894,194
Long term liabilities:			
Due within one year			
Bond obligations	5,030,000	-	5,030,000
Lease obligations	614,430	-	614,430
Sick leave	1,065,607	-	1,065,607
Due beyond one year			
Bond obligations	93,200,000	-	93,200,000
Lease obligations	1,786,702	-	1,786,702
Sick leave	3,252,799	-	3,252,799
Net pension liability	26,649,612	1,253,858	27,903,470
Net OPEB liability	11,649,505	548,106	12,197,611
Total liabilities	<u>154,732,951</u>	<u>1,844,848</u>	<u>156,577,799</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pensions	6,045,317	284,431	6,329,748
Deferred inflows of resources - OPEB	20,191,478	950,005	21,141,483
Total deferred inflows of resources	<u>26,236,795</u>	<u>1,234,436</u>	<u>27,471,231</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>	<u>180,969,746</u>	<u>3,079,284</u>	<u>184,049,030</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets net of related debt	20,107,265	1,030,565	21,137,830
Restricted for:			
Capital projects	16,725,076	-	16,725,076
Other	1,291,711	6,241,451	7,533,162
Unrestricted	<u>(29,150,785)</u>	<u>-</u>	<u>(29,150,785)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,973,267</u>	<u>\$ 7,272,016</u>	<u>\$ 16,245,283</u>

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

PULASKI COUNTY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT		
					Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities:</b>							
Instructional	\$ 61,581,956	\$ 38,434	\$ 42,772,484	\$ -	\$ (18,771,038)	\$ -	\$ (18,771,038)
Support Services							
Student	4,273,587	-	741,985	-	(3,531,602)	-	(3,531,602)
Instructional Staff	3,301,262	-	674,301	-	(2,626,961)	-	(2,626,961)
District Administration	2,115,662	-	21,653	-	(2,094,009)	-	(2,094,009)
School Administration	3,382,446	-	575,766	-	(2,806,680)	-	(2,806,680)
Business	1,181,766	-	212,139	-	(969,627)	-	(969,627)
Plant operations and maintenance	10,320,568	-	710,373	-	(9,610,195)	-	(9,610,195)
Student Transportation	2,889,890	-	859,275	-	(2,030,615)	-	(2,030,615)
Community Services Operations	1,294,122	-	1,288,432	-	(5,690)	-	(5,690)
Site improvements	3,829,324	-	3,085,371	-	(743,953)	-	(743,953)
Debt Service	3,620,265	-	-	561,752	(3,058,513)	-	(3,058,513)
Depreciation	3,399,598	-	-	-	(3,399,598)	-	(3,399,598)
Total governmental activities	<u>101,190,446</u>	<u>38,434</u>	<u>50,941,779</u>	<u>561,752</u>	<u>(49,648,481)</u>	<u>-</u>	<u>(49,648,481)</u>
<b>Business-type activities:</b>							
Food service operations	6,060,847	162,781	6,465,377	-	-	567,311	567,311
Day care operations	1,210,671	1,145,563	168,625	-	-	103,517	103,517
Depreciation	102,138	-	-	-	-	(102,138)	(102,138)
Total business-type activities	<u>7,373,656</u>	<u>1,308,344</u>	<u>6,634,002</u>	<u>-</u>	<u>-</u>	<u>568,690</u>	<u>568,690</u>
Total primary government	<u>\$ 108,564,102</u>	<u>\$ 1,346,778</u>	<u>\$ 57,575,781</u>	<u>\$ 561,752</u>	<u>\$ (49,648,481)</u>	<u>\$ 568,690</u>	<u>\$ (49,079,791)</u>
<b>General revenues</b>							
<b>Taxes:</b>							
Property taxes					\$ 20,147,317	\$ -	\$ 20,147,317
Motor vehicle taxes					3,131,641	-	3,131,641
Franchise taxes					1,059,219	-	1,059,219
Utility taxes					3,398,823	-	3,398,823
State formula grants					29,110,893	-	29,110,893
Student activities					2,276,208	-	2,276,208
Other local revenue					285,293	-	285,293
Sale of equipment					25,565	-	25,565
Loss compensation					95,941	-	95,941
Unrestricted investment earnings					3,421,636	-	3,421,636
Transfers					316,933	(316,933)	-
Total general revenues					<u>63,269,469</u>	<u>(316,933)</u>	<u>62,952,536</u>
Change in net position					13,620,988	251,757	13,872,745
Net position - beginning					(4,647,721)	7,020,259	2,372,538
Net position - ending					<u>\$ 8,973,267</u>	<u>\$ 7,272,016</u>	<u>\$ 16,245,283</u>

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

PULASKI COUNTY SCHOOL DISTRICT

Balance Sheet  
Governmental Funds  
June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Total Non-Major Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,657,082	\$ -	\$ 16,901,560	\$ 3,162,527	\$ 39,721,169
Interfund receivables	1,608,357	-	-	-	1,608,357
Prepaid expenses	28,166	-	-	-	28,166
Receivables					
Taxes-current	748,463	-	-	-	748,463
Accounts	9,477	6,931	-	-	16,408
Intergovernmental - state	-	48,461	-	-	48,461
Intergovernmental - federal	-	5,692,060	-	-	5,692,060
Total assets	<u>22,051,545</u>	<u>5,747,452</u>	<u>16,901,560</u>	<u>3,162,527</u>	<u>47,863,084</u>
<b>LIABILITIES</b>					
Accounts payable	2,515,667	244,901	1,978,216	8,327	4,747,111
Interfund payable	-	1,608,357	-	-	1,608,357
Unearned revenue	-	3,894,194	-	-	3,894,194
Total liabilities	<u>2,515,667</u>	<u>5,747,452</u>	<u>1,978,216</u>	<u>8,327</u>	<u>10,249,662</u>
<b>FUND BALANCE</b>					
Restricted	-	-	14,923,344	3,093,443	18,016,787
Committed	562,767	-	-	-	562,767
Assigned	8,683	-	-	17,725	26,408
Unassigned	18,964,428	-	-	43,032	19,007,460
Total fund balance	<u>19,535,878</u>	<u>-</u>	<u>14,923,344</u>	<u>3,154,200</u>	<u>37,613,422</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 22,051,545</u>	<u>\$ 5,747,452</u>	<u>\$ 16,901,560</u>	<u>\$ 3,162,527</u>	<u>\$ 47,863,084</u>

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

PULASKI COUNTY SCHOOL DISTRICT  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2024

Total Fund Balances - Governmental Funds	\$ 37,613,422
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position	120,738,397
Deferred outflows of resources are not recorded in the governmental fund financials because they do not affect current resources but are recorded in the statement of net position.	
Pension contributions deferred outflows	8,170,597
OPEB contributions deferred outflows	12,334,105
Certain assets (obligations) are not a use of financial resources and therefore, are not reported in the government funds, but are presented in the statement of net position	
Net pension liability	(26,649,612)
Net OPEB liability	(11,649,505)
Deferred inflows of resources are not recorded in the governmental fund financials because they do not affect current resources but are recorded in the statement of net position	
Pension plan deferred inflows	(6,045,317)
OPEB plan deferred inflows	(20,191,478)
Certain liabilities (such as bond payable, the long-term portion of accrued sick leave, and other accrued liabilities) are not reported in the fund financial statement because they are not due and payable, but are presented in the statement of net position as follows:	
Bonds payable	(98,230,000)
Leases payable	(2,401,132)
Accrued interest	(1,234,634)
Accrued sick leave	(4,318,406)
Deferred loss on refunding	836,830
	836,830
Net position of governmental activities	\$ 8,973,267

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

PULASKI COUNTY SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>					
From Local Sources					
Taxes					
Property	\$ 15,437,149	\$ -	\$ -	\$ 4,710,168	\$ 20,147,317
Motor vehicle	3,131,641	-	-	-	3,131,641
Franchise	1,059,219	-	-	-	1,059,219
Utilities	3,398,823	-	-	-	3,398,823
Earnings on investments	1,645,971	-	1,734,620	41,045	3,421,636
Tuition	38,434	-	-	-	38,434
Student activities	-	-	-	2,276,208	2,276,208
Other local revenue	(155,660)	47,536	-	393,417	285,293
Intergovernmental - state	50,231,619	3,954,322	-	3,647,123	57,833,064
Intergovernmental - federal	317,001	22,464,359	-	-	22,781,360
<b>Total revenues</b>	<b>75,104,197</b>	<b>26,466,217</b>	<b>1,734,620</b>	<b>11,067,961</b>	<b>114,372,995</b>
<b>EXPENDITURES</b>					
Instruction	46,582,552	17,403,996	-	2,540,105	66,526,653
Support services					
Student	4,272,529	14	-	1,044	4,273,587
Instructional staff	3,091,305	159,792	-	50,165	3,301,262
District Administration	2,115,662	-	-	-	2,115,662
School Administration	3,382,446	-	-	-	3,382,446
Business	1,139,908	41,858	-	-	1,181,766
Plant operation and maintenance	10,310,158	(14,064)	-	24,474	10,320,568
Student Transportation	5,009,564	(968,976)	-	10,847	4,051,435
Community Services Operations	5,690	1,288,432	-	-	1,294,122
Site improvements	-	-	35,482,874	-	35,482,874
Debt service					
Principal	-	-	-	5,337,421	5,337,421
Interest	-	-	-	3,620,265	3,620,265
Cost of issuance	-	-	-	-	-
<b>Total expenditures</b>	<b>75,909,814</b>	<b>17,911,052</b>	<b>35,482,874</b>	<b>11,584,321</b>	<b>140,888,061</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(805,617)</b>	<b>8,555,165</b>	<b>(33,748,254)</b>	<b>(516,360)</b>	<b>(26,515,066)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of equipment	25,565	-	-	-	25,565
Loss compensation	95,941	-	-	-	95,941
Operating transfers in	316,933	140,882	8,696,047	8,395,934	17,549,796
Operating transfers (out)	(741,277)	(8,696,047)	-	(7,795,539)	(17,232,863)
<b>Total other financing sources and (uses)</b>	<b>(302,838)</b>	<b>(8,555,165)</b>	<b>8,696,047</b>	<b>600,395</b>	<b>438,439</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,108,455)</b>	<b>-</b>	<b>(25,052,207)</b>	<b>84,035</b>	<b>(26,076,627)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>20,644,333</b>	<b>-</b>	<b>39,975,551</b>	<b>3,070,165</b>	<b>63,690,049</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 19,535,878</b>	<b>\$ -</b>	<b>\$ 14,923,344</b>	<b>\$ 3,154,200</b>	<b>\$ 37,613,422</b>

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



PULASKI COUNTY SCHOOL DISTRICT  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
 and Changes in Fund Balances to the Statement of Activities  
 For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ (26,076,627)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.	
Capital outlays	33,142,415
Depreciation Expense	(3,399,598)
Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expense are recognized in the statement of activities when they are incurred for the following:	
Accrued interest	(22,145)
Amortization of bond costs	(181,025)
Governmental funds report CERS contributions as expenditures when paid. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pension, and investment experience.	
Pension Expense	2,287,713
OPEB Expense	2,870,980
Long-term debt proceeds are reported as other financing resources in funds, thereby increasing fund balances. In the statement of net position, however, issuing long-term debt increases liabilities and has no effect on net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Bond principal repaid	4,647,498
Lease principal repaid	689,923
Sick leave	(338,146)
Change in net position of governmental	\$ 13,620,988

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

PULASKI COUNTY BOARD OF EDUCATION

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	\$ 15,348,936	\$ 15,348,936	\$ 15,437,149	\$ 88,213
Motor vehicle	3,100,000	3,100,000	3,131,641	31,641
Franchise	1,200,000	1,200,000	1,059,219	(140,781)
Utilities	3,300,000	3,300,000	3,398,823	98,823
Tuition	27,000	27,000	38,434	11,434
Earnings on investments	800,000	800,000	1,645,971	845,971
Other local revenue	321,285	321,285	(155,660)	(476,945)
Intergovernmental - state	54,836,476	54,836,476	50,231,619	(4,604,857)
Intergovernmental - federal	290,000	290,000	317,001	27,001
Total Revenues	<u>79,223,697</u>	<u>79,223,697</u>	<u>75,104,197</u>	<u>(4,119,500)</u>
EXPENDITURES				
Instruction	54,440,087	54,150,073	46,582,552	7,567,521
Support Services				
Student	3,632,946	3,649,288	4,272,529	(623,241)
Instructional Staff	5,728,690	5,808,875	3,091,305	2,717,570
District Administration	1,834,638	1,834,638	2,115,662	(281,024)
School Administration	3,016,213	3,209,700	3,382,446	(172,746)
Business	974,738	974,738	1,139,908	(165,170)
Plant Operation and Maintenance	8,020,632	8,020,632	10,310,158	(2,289,526)
Student Transportation	5,106,120	5,106,120	5,009,564	96,556
Community Services	6,000	6,000	5,690	310
Contingency	16,259,921	16,259,921	-	16,259,921
Total expenditures	<u>99,019,985</u>	<u>99,019,985</u>	<u>75,909,814</u>	<u>23,110,171</u>
EXCESS (DEFICIENCY) IN REVENUES				
OVER EXPENDITURES	(19,796,288)	(19,796,288)	(805,617)	18,990,671
OTHER FINANCING SOURCES (USES)				
Sale of equipment	10,000	10,000	25,565	15,565
Loss compensation	10,000	10,000	95,941	85,941
Operating transfers in	150,000	150,000	316,933	166,933
Operating transfers out	(947,279)	(947,279)	(741,277)	206,002
Total other financing sources and (uses)	<u>(777,279)</u>	<u>(777,279)</u>	<u>(302,838)</u>	<u>474,441</u>
NET CHANGE IN FUND BALANCE	(20,573,567)	(20,573,567)	(1,108,455)	19,465,112
FUND BALANCE - BEGINNING	<u>20,573,567</u>	<u>20,573,567</u>	<u>20,644,333</u>	<u>70,766</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,535,878</u>	<u>\$ 19,535,878</u>

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

PULASKI COUNTY BOARD OF EDUCATION  
Budget and Actual Special Revenue Fund  
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
From Local Sources				
Other local revenue	\$ -	\$ 54,000	\$ 47,536	\$ (6,464)
Intergovernmental - state	3,200,667	3,541,814	3,954,322	412,508
Intergovernmental - federal	7,757,617	9,310,722	22,464,359	13,153,637
<b>Total Revenues</b>	<b>10,958,284</b>	<b>12,906,536</b>	<b>26,466,217</b>	<b>13,559,681</b>
<b>EXPENDITURES</b>				
Instruction	9,790,688	11,439,736	17,403,996	(5,964,260)
Support Services				
Instructional Staff	-	275,263	159,792	115,471
Business	-	-	41,858	(41,858)
Plant Operation and Maintenance	-	-	(14,064)	14,064
Student Transportation	-	-	(968,976)	968,976
Community Services Operations	1,167,596	1,156,555	1,288,432	(131,877)
<b>Total expenditures</b>	<b>10,958,284</b>	<b>12,871,554</b>	<b>17,911,052</b>	<b>(5,039,498)</b>
<b>EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>34,982</b>	<b>8,555,165</b>	<b>8,520,183</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	140,882	140,882
Operating transfers out	-	-	(8,696,047)	(8,696,047)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>(8,555,165)</b>	<b>(8,555,165)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>34,982</b>	<b>-</b>	<b>(34,982)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ -</b>	<b>\$ 34,982</b>	<b>\$ -</b>	<b>\$ (34,982)</b>

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

PULASKI COUNTY BOARD OF EDUCATION  
Statement of Net Position - Proprietary Funds  
June 30, 2024

	Enterprise Funds		
	School Food Services	Day Care Services	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 5,436,783	\$ 2,655,066	\$ 8,091,849
Receivables	59,236	47,031	106,267
Inventories for consumption	157,877	-	157,877
Total current assets	<u>5,653,896</u>	<u>2,702,097</u>	<u>8,355,993</u>
Noncurrent Assets			
General equipment	3,811,442	-	3,811,442
Accumulated depreciation	(2,780,877)	-	(2,780,877)
Total noncurrent assets	<u>1,030,565</u>	<u>-</u>	<u>1,030,565</u>
Total Assets	<u>6,684,461</u>	<u>2,702,097</u>	<u>9,386,558</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	283,493	100,932	384,425
Deferred outflows related to OPEB	427,953	152,364	580,317
Total deferred outflows of resources	<u>711,446</u>	<u>253,296</u>	<u>964,742</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>7,395,907</u>	<u>2,955,393</u>	<u>10,351,300</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	42,884	-	42,884
Total current liabilities	<u>42,884</u>	<u>-</u>	<u>42,884</u>
Noncurrent liabilities			
Net pension liability	924,654	329,204	1,253,858
Net OPEB liability	404,199	143,907	548,106
Total noncurrent liabilities	<u>1,328,853</u>	<u>473,111</u>	<u>1,801,964</u>
Total liabilities	<u>1,371,737</u>	<u>473,111</u>	<u>1,844,848</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	209,753	74,678	284,431
Deferred inflows related to OPEB	700,578	249,427	950,005
Total deferred inflows of resources	<u>910,331</u>	<u>324,105</u>	<u>1,234,436</u>
<b>TOTAL LIABILITIES AND INFLOWS OF RESOURCES</b>	<u>2,282,068</u>	<u>797,216</u>	<u>3,079,284</u>
<b>NET POSITION</b>			
Net Investment in capital assets	1,030,565		1,030,565
Restricted	4,083,274	2,158,177	6,241,451
Total net position	<u>\$ 5,113,839</u>	<u>\$ 2,158,177</u>	<u>\$ 7,272,016</u>

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

PULASKI COUNTY BOARD OF EDUCATION  
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Year Ended June 30, 2024

	Enterprise Funds		
	School Food Services	Day Care Services	Total
<b>OPERATING REVENUES</b>			
Lunchroom sales	\$ 162,781	\$ -	\$ 162,781
Tuition	-	1,145,563	1,145,563
Total operating revenues	<u>162,781</u>	<u>1,145,563</u>	<u>1,308,344</u>
<b>OPERATING EXPENSES</b>			
Salaries & benefits	2,194,826	781,423	2,976,249
Purchased professional services	1,826	-	1,826
Purchased property services	250	27,400	27,650
Other purchased services	33,660	1,456	35,116
Supplies	3,306,390	39,927	3,346,317
Property	95,197	90,576	185,773
Dues, Fees, and miscellaneous	6,165	374	6,539
Depreciation	102,138	-	102,138
Total operating expenses	<u>5,740,452</u>	<u>941,156</u>	<u>6,681,608</u>
Operating income (loss)	<u>(5,577,671)</u>	<u>204,407</u>	<u>(5,373,264)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Federal grants	5,787,356	-	5,787,356
Federal donated commodities	204,394	-	204,394
State on-behalf payments	473,627	168,625	642,252
State on-behalf payments	(473,627)	(168,625)	(642,252)
Pension expense	59,034	(110,838)	(51,804)
OPEB expense	82,636	(80,628)	2,008
Total nonoperating revenues (expenses)	<u>6,133,420</u>	<u>(191,466)</u>	<u>5,941,954</u>
Income (loss) before operating transfers	555,749	12,941	568,690
Operating transfers out	<u>(316,933)</u>	<u>-</u>	<u>(316,933)</u>
Change in net position	238,816	12,941	251,757
NET POSITION - BEGINNING	<u>4,875,023</u>	<u>2,145,236</u>	<u>7,020,259</u>
NET POSITION - ENDING	<u>\$ 5,113,839</u>	<u>\$ 2,158,177</u>	<u>\$ 7,272,016</u>

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

PULASKI COUNTY BOARD OF EDUCATION  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2024

	Enterprise Funds		
	School Food Services	Day Care Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 162,781	\$ 1,145,563	\$ 1,308,344
Payments to suppliers	(3,123,944)	(121,891)	(3,245,835)
Payments to employees	(2,526,783)	(1,141,514)	(3,668,297)
Net cash provided (used) by operating activities	<u>(5,487,946)</u>	<u>(117,842)</u>	<u>(5,605,788)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES</b>			
Operating grants and contributions	5,849,127	360,090	6,209,217
Net cash provided (used) by noncapital financing activities	<u>5,849,127</u>	<u>360,090</u>	<u>6,209,217</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Purchase of capital assets	(84,570)		(84,570)
Operating transfer to general fund	(316,933)	-	(316,933)
Net cash provided (used) by capital financing activities	<u>(401,503)</u>	<u>-</u>	<u>(401,503)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,322)	242,248	201,926
CASH AND CASH EQUIVALENTS - BEGINNING	5,477,105	2,412,818	7,889,923
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 5,436,783</u>	<u>\$ 2,655,066</u>	<u>\$ 8,091,849</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (5,577,671)	\$ 204,407	\$ (5,373,264)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation	102,138	-	102,138
<b>Changes in assets and liabilities:</b>			
Receivables	(16,997)	41,285	24,288
Inventory	(2,946)	-	(2,946)
Account Payables	135,093	(3,443)	131,650
Pension expense	59,034	(110,838)	(51,804)
OPEB expense	82,636	(80,628)	2,008
Federal donated commodities	204,394	-	204,394
On-behalf payments expenses	(473,627)	(168,625)	(642,252)
Net cash provided (used) by operating activities	<u>\$ (5,487,946)</u>	<u>\$ (117,842)</u>	<u>\$ (5,605,788)</u>
<b>Schedule of non-cash transactions</b>			
Federal donated commodities	\$ 204,394	-	\$ 204,394
State on-behalf payments	<u>\$ 473,627</u>	<u>\$ 168,625</u>	<u>\$ 642,252</u>

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

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements presented for the Pulaski County Board of Education (“District”) are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The District’s significant accounting and reporting policies are described below.

**The Financial Reporting Entity**

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

As required by GAAP, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government’s operations and so data from this unit is combined with data of the primary government. Separate financial statements are not issued for this component unit.

The District’s reporting entity includes the following blended component unit:

The Pulaski County Board of Education Finance Corporation was formed in accordance with the provisions of KRS Sections 162.120 through 162.300 and Section 162.385, and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities on behalf of the Board of Education of the Pulaski County School District. Under the provisions of existing Kentucky laws, the Corporation is permitted to act as an agency and instrumentality of the District for financing purposes. The Board serves as the Governing Board of the Corporation and all accounting and administrative functions are performed by the District, which records all activity of the Corporation as a blended component unit.

**Basis of presentation and accounting**

**Government-wide**

The Districts government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the District are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenue for the business-type activities and for each function of the District’s governmental activities. Program revenues includes (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes and general state aid, are presented as general revenues.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the District’s assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

**Fund Financial Statements**

The fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific district functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increase (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the District are taxes and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.



**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Major Governmental Funds:**

General Fund – accounts for the general operating costs for the District and provides supports services to other funds. 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.

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

Construction Fund -The Construction Fund accounts for and reports proceeds from sales of bonds and other revenues to be used for authorized construction.

**Non-Major Governmental Funds**

District Activity Fund – The District Activity Fund is a special revenue fund type and is used to account for funds collected at individual schools for operation costs of the schools or school district that allows for more flexibility in the expenditures of those funds.

Student Activity Fund –The Student Activity Fund is a special revenue fund type and is used to account for funds student activity that are legally restricted to expenditures for specified purposes imposed by external parties, enabling legislation, or by board action.

Capital Outlay Fund – The Support Education Excellence in Kentucky (SEEK) Fund receives those funds designated by the state as capital outlay funds and is generally restricted for use in financing projects identified in the district’s facility plan (including payment of bonded lease obligations).

Facility Support Program (FSKP) Fund - The Facility Support Program of Kentucky (FSPK) accounts for and reports 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.

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

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expense and Changes in Net position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Fund Financial Statements (Continued)**

Operating revenues in the proprietary funds are those 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.

**Enterprise Funds**

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

Day Care Fund – is used to account for and report the activities of day care programs where a fee is charged for participating.

**Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicate the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide and fiduciary fund financial statement are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are recorded when the liability is incurred, except for unmatured interest on long-term debt which is recognized when due, other post-employment benefits, claims and judgments and compensated absences, which are recognized when expended. Revenues susceptible to accrual are interest, state and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

**Budgetary information**

The District’s budgetary process accounts for transactions on a modified accrual basis of accounting which is consistent with the accounting principles generally accepted in the United States of America. State law requires the district to formally and publicly examine anticipated receipts and expenditures for the next fiscal year by January 31 (draft budget), adopt a tentative working budget on or before May 30 for the next fiscal year and a final working budget must be submitted to the Kentucky Department of Education (KDE) by September 30 for the current year with a recommended reserve of at least two percent of total budgeted expenditures in the general and school food service funds. The Special Revenue Fund and the Construction fund are multi-year funds. A fund is multi-year when budgeted amounts in that fund may be received and expended over a period extending beyond one fiscal year. A budget projection is created one time for a project (grant or a construction project) which is in the year of its inception. After a budget completion is processed on a project, that budget remains with the project over the lifetime of the project.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgetary information (Continued)**

Expenditure budgets are appropriated at the major function level for each fund. Appropriations may not legally be over-expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

**Assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance**

**Cash and cash equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments with a maturity of three months or less from the date of the acquisition. For the purposes of the statement of cash flows, the District defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less.

**Deposits with Financial Institutions and Investments**

The District's policy on investments primarily follow state statutes and regulations which authorize the District to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance.

**Prepaid items**

Prepaid items are charged to expenditure/expense at the time the items are used (consumption method).

**Inventory**

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

**Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. 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.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital assets (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are expensed.

All reported capital assets 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:

Building and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
Audio-visual equipment	15 years
Food service equipment	10-12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other	10 years

**Long-term obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

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

**Deferred outflows/inflows of resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separated financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District reports three types of deferred outflows-contributions to the CERS pension system after the measurement period, contributions to the TRS medical insurance fund after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

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

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pension obligations**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Kentucky Public Pension Authority (KPPA) – County Employees Retirement-Non-hazardous (CERS) and Teacher’s Retirement System of the State of Kentucky (TRS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERS and TRS and additions to/deductions from fiduciary net position on the same basis as they are reported by these multiple-employer cost-sharing OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized by the pension systems when due and payable in accordance with the benefit terms. Investments are reported at fair value by the pension systems. Both systems publish separate financial statements as described in the Note for Postemployment Benefits Other Than Pensions.

**Net position flow assumptions**

Net position is classified into the following categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

When both restricted and unrestricted resources are available for use in a specific program or for specific purpose, the District’s normal policy is to use restricted resources first to finance its activities.

**Fund balance flow assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in multiple classifications, the District uses the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**Fund balance policies**

Governmental fund equity is classified as fund balance. GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on purpose for which resources can be used:

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund balance policies (Continued)**

Governmental fund equity is classified as fund balance. GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on purpose for which resources can be used:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid items as being non-spendable as they are not expected to be converted to cash.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of resources which are either.

1. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. Imposed by law through constitutional provisions or enabling legislation.

**Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's Board of Directors, which is the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

**Assigned:** This classification includes spendable amounts for a specific purpose. The intent of an assigned fund balance is expressed by either the District's Board, or a subordinate high-level body, such as a finance committee, or an official, such as the superintendent, that has the authority to assign amounts to be used for assigned purposes.

**Unassigned:** This classification is the residual fund balance for the General Fund. It represents fund balance that has not been assigned, committed, or restricted.

**Revenue and expenditures/expenses**

**Program revenues –** amounts reported as program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not property included amount program revenues are reported instead as general revenues.

**Property taxes –** Property taxes are levied each August 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. Liens are effective when the tax bills become delinquent. The collection period for these assessments was October 16, 2023 through April 15, 2024.

**Grants –** unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as unavailable revenue on the Balance Sheet and unearned revenue on the Statement of Net Position.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue and expenditures/expenses (Continued)**

Compensated absences – 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 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. On June 30, 2024, this amount total \$4,318,406.

**Note II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Violations of legal or contractual provisions**

This District had no violations of legal or contractual provision in the fiscal year.

**Cash deposits and cash equivalents**

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

Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. The District’s deposit policy for custodial credit risk requires compliance with the provisions of state law.

At year-end, the District’s bank balances were collateralized by securities held by the pledging bank’s trust department in the District’s name and FDIC insurance. At year end, the carrying amount of the District’s cash and cash equivalents was \$47,813,018. The bank balance for the same time was \$47,671,164.

**Receivables**

Amounts are aggregated into a single account receivable line in the Statement of Net Position and Balance Sheet. Below is the detail of receivable for the governmental funds:

Receivables	General Fund	Special Revenue Fund	School Food Service Fund	Day Care Fund	Total
Taxes	\$ 748,463	\$ -	\$ -	\$ -	\$ 748,463
Accounts	9,477	6,931	-	47,031	63,439
Intergovernmental-state	-	48,461	-	-	48,461
Intergovernmental-federal	-	5,692,060	59,236	-	5,751,296
Total Receivables	<u>\$ 757,940</u>	<u>\$ 5,747,452</u>	<u>\$ 59,236</u>	<u>\$ 47,031</u>	<u>\$ 6,611,659</u>

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**Capital assets**

The changes in capital assets for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<b>Governmental Activities:</b>				
Non-depreciable capital assets				
Land	\$ 3,462,905	\$ -	\$ -	\$ 3,462,905
Construction in progress	29,005,122	31,524,685	-	60,529,807
Total - Non-depreciable capital assets	<u>32,468,027</u>	<u>31,524,685</u>	<u>-</u>	<u>63,992,712</u>
Depreciable capital assets				
Land improvements	471,956	-	-	471,956
Buildings and Building Improvements	104,386,374	128,865	-	104,515,239
Technology equipment	7,526,101	-	-	7,526,101
Vehicles	16,752,554	1,161,545	-	17,914,099
General equipment	2,628,040	327,320	-	2,955,360
Total - Depreciable capital assets	<u>131,765,025</u>	<u>1,617,730</u>	<u>-</u>	<u>133,382,755</u>
Less: Accumulated depreciation				
Land improvements	199,336	38,040	-	237,376
Buildings and building Improvements	51,299,391	2,330,876	-	53,630,267
Technology equipment	7,562,278	7,983	-	7,570,261
Vehicles	12,368,926	863,691	-	13,232,617
General equipment	1,807,541	159,008	-	1,966,549
Total - Accumulated depreciation	<u>73,237,472</u>	<u>3,399,598</u>	<u>-</u>	<u>76,637,070</u>
Governmental Activities Capital Assets - net	<u>\$ 90,995,580</u>	<u>\$ 29,742,817</u>	<u>\$ -</u>	<u>\$120,738,397</u>
<b>Business-Type Activities:</b>				
Technology equipment	\$ 56,057	\$ -	\$ -	\$ 56,057
Vehicles	27,330	-	-	27,330
General equipment	3,643,485	84,570	-	3,728,055
Total - Non-depreciable capital assets	<u>3,726,872</u>	<u>84,570</u>	<u>-</u>	<u>3,811,442</u>
Less: Accumulated depreciation				
Technology equipment	56,057	-	-	56,057
Vehicles	27,330	-	-	27,330
General equipment	2,595,352	102,138	-	2,697,490
Total - Depreciable capital assets	<u>2,678,739</u>	<u>102,138</u>	<u>-</u>	<u>2,780,877</u>
Business-Type Activities Capital Assets - net	<u>\$ 1,048,133</u>	<u>\$ (17,568)</u>	<u>\$ -</u>	<u>\$ 1,030,565</u>

**Pension obligations**

The District participates in both the Teachers' Retirement System of the State of Kentucky (TRS) and the Kentucky Public Pensions Authority (KPPA) - County Employees Retirement System (CERS) for non-hazardous duties based on each position's college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.



**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Teacher's Retirement System of the State of Kentucky (TRS)

Plan Description

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 cost-sharing multiple-employer defined benefit 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 of Kentucky. KRS 161.250 provides that the general administration and management of TRS, and the responsibility for its proper operation, is vested in a board of trustees. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS covers positions requiring teaching certification or otherwise requiring a college degree as well as any person providing part-time or substitute teaching services that are the same or similar to those teaching services provided by full-time, certified teachers. Copies of the TRS Comprehensive Annual Financial Report and Actuarial Valuations may be obtained at: <https://trs.ky.gov/administration/financial-reports-information/>.

Pension Benefits

For members who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either 1) attain age fifty-five (55), or 2) complete 27 years of Kentucky service.

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university members 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 members (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 members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefit.

Employees who retire July 1, 2004 or 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 members hired on or after that date. For members who enter TRS on or after January 1, 2022 TRS created a hybrid retirement plan with a foundational benefit which pays a lifetime retirement annuity.

Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. When calculating the final average salary for employees entering the service on or after January 1, 2022 increases in compensation in the last five years prior to retirement are limited to the highest percentage increase generally available to the district's employees.

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Pension Benefits (Continued)

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

For members hired on or after January 1, 2022, new members must be age 57 and have 10 years of service or age 65 and 5 years of service. The annual foundational benefit for members is equal to service times a multiplier times final average salary. The multiplier for non-university members who are age 65 and over with 5-9.99 years of service is 1.90%. The multiplier for non-university members with 10-19.99 years of service who are age 57-60 is 1.70%, age 61 - 1.74%, age 62 - 1.78%, age 63 - 1.82%, age 64 - 1.86% and age 65 and over 1.90%. The multiplier for non-university members with 20-29.99 years of service who are age 57-60 is 1.95%, age 61 - 1.99%, age 62 - 2.03%, age 63 - 2.07%, age 64 - 2.11% and age 65 and over 2.15%. The multiplier for non-university members with 30 or more years of service who are age 57-60 is 2.20%, age 61 - 2.24%, age 62 - 2.28%, age 63 - 2.32%, age 64 - 2.36% and age 65 and over 2.40%. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service. The annual supplemental benefit is equal to the account balance which includes member and employer contributions and interest credited annually on June 30. Options include annuitizing the balance or receiving the balance as a lump sum either at the time of retirement or at a later date.

Contributions

Contribution rates are established by Kentucky Revised Statutes ("KRS"). Non-university employees other than TRS 4 employees are required to contribute 9.105% of salary and TRS 4 members contribute 11.00% of salary to the retirement system and 2% of each is for the supplemental plan. The Commonwealth, as a non-employer contributing entity, pays matching contributions at the rate of 16.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 16.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. The required matching contribution for those employees classified as critical shortage is 24.55%. 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.

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Kentucky Public Pensions Authority (KPPA) - County Employees Retirement System (CERS)

Plan Description

Under the provisions of KRS 61.645, the Board of Trustees of the Kentucky Public Pensions Authority (KPPA) administers CERS and has the authority to establish and amend benefit provisions. CERS was created by the Kentucky General Assembly pursuant to the provision of KRS 78.520. CERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky General Assembly. KRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth’s financial statements. CERS covers employees whose positions do not require a degree, substantially all full-time classified employees and these positions are considered non-hazardous. Copies of the TRS Comprehensive Annual Financial Report and Actuarial Valuations may be obtained at <https://kyret.ky.gov/Employers/GASB/Pages/default.aspx>.

Pension Benefits

CERS provides retirement, health insurance, death and disability benefits to CERS 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’ 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’ equal 87
	Reduced retirement	Not available

Contributions

CERS pension benefits are grouped into three tiers, based on the hire date:

Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% (non-hazardous) or 8% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members’ accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Contributions (Continued)

Tier 2 plan members, who began participating on, or after, September 1, 2008 and before January 1, 2014, are required to contribute 6% (non-hazardous) or 9% (hazardous) of their annual credit compensation, while 1% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(k) in the Pension Fund (See Kentucky Administrative Regulation 105 KAR 1:420 Employer's administrative duties). These members are classified in the Tier 2 structure of benefits. Interest is paid each June 30<sup>th</sup> on members' accounts as a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members, who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5% (non-hazardous) or 8% (hazardous) of their annual creditable compensation, and an additional 1% to the health insurance fund (401(h) account) which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KPPA board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (non-hazardous) or 7.5% (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution. CERS contribution rates for non-hazardous employees for pension 23.24%, insurance 0.00% for a combined total of 23.34%.

Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2024, employers were required to contribute 23.34% of the member's salary. During the year ending June 30, 2024, the District contributed \$3,275,380 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

**Other Retirement Plans**

The District also offers employees the option to participate in defined contribution plans under Sections 403(B) and 401(K) of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum allowable by law. These plans are administered by an independent third-party administrator. The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until their termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, allows entities with little or no administrative involvement and who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statement statements. The District, therefore, does not report these assets and liabilities on its financial statements. Employee contributions made to the plan during the year total \$279,645. The District does not contribute to these plans.

**PULASKI COUNTY BOARD OF EDUCATION**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

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

On June 30, 2024, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District’s proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District.

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

District's proportionate share of the net CERS pension liability	\$ 27,903,470
Commonwealth's proportionate share of the net TRS pension liability associated with the District	<u>170,103,805</u>
Total proportionate share net pension liability - CERS/TRS	<u>\$ 198,007,275</u>

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

The District’s portion 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. On June 30, 2023, the District’s proportion was .434870%.

For the year ended June 30, 2024, the District recognized CERS pension expense of \$3,275,380 which is a \$2,757,689 increase in governmental funds and \$517,691 increase in proprietary funds and \$1,839,170 related to TRS as being paid. The adjusted pension expense recognized on the statement of activities, based on actuarial valuation for the year ended June 30, 2024, was \$(2,235,910) (a decrease of \$2,287,713 in governmental funds and an increase of \$51,804 in the business type activity funds). The District also recognized revenue of \$10,231,947 for TRS support provided by the Commonwealth.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,444,509	\$ 75,822
Changes of assumptions	-	2,557,372
Net difference between projected and actual earnings on pension plan	3,014,365	3,394,984
Changes in proportion and difference between District contributions and proportionate share of contributions	820,768	301,570
District contributions subsequent to the measurement date	<u>3,275,380</u>	<u>-</u>
Totals	<u>\$ 8,555,022</u>	<u>\$ 6,329,748</u>

**PULASKI COUNTY BOARD OF EDUCATION**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Pension liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amount reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date is \$3,275,380 and will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

	Fiscal Year Ending June 30:	
	2024	\$ (734,376)
	2025	(668,515)
	2026	622,918
	2027	(270,312)
	2028	-
	Thereafter	-

**Actuarial assumptions**

The actuarially determined contributions effective for fiscal year ending 2023 is based on the required contribution calculated with the June 30, 2021 actuarial valuation. Based on the June 30, 2023 actuarial valuation report, the actuarial methods and assumptions, applied to all periods included in the measurement:

	CERS	KTRS
Inflation	2.30%	2.50%
Projected Salary Increases	3.30% to 10.30%, varies by service	3.00% to 7.50%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

For TRS, Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

The 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset 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:

**PULASKI COUNTY BOARD OF EDUCATION**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Actuarial assumptions (Continued)

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

For CERS, a system-specific mortality table was used based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

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

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

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

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Actuarial assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income	20.00%	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.0%	-0.91%
Inflation Protected	20.0%	
Real Estate	7.00%	3.67%
Real Return	13.0%	4.07%
Expected Real Return	100.0%	4.28%
Long-Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.58%

**Discount Rate**

For TRS, the discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. We assumed that Plan member contributions will be made at the current contribution rates and that Employer contributions will be made at the Actuarially Determined Contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For CERS, the discount rate used to measure the total pension liability was 6.50% for fiscal year ending June 30, 2023. The single discount rate is based on the expected rate of return on pension plan investments for each plan. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the non-hazardous and hazardous pension plans’ fiduciary net position and future contributions were separately projected and were each sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability of each plan.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 Legislative session) which limits the increases to the employer contribution rates to 12% in any given future year. Therefore, for the purposes of this calculation, the provisions of House Bill 362 do not impact the projected contribution rates.



**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Pension obligations (Continued)**

Discount Rate (Continued)

The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 35,229,817	\$ 27,903,470	\$ 21,815,001

**Other postemployment benefit (OPEB) obligations**

The District’s employees are provided with two OPEB plans, based on each position’s college degree requirement. TRS covers positions requiring teaching certification or otherwise requiring a college degree. The CERS covers employees whose position does not require a college degree or teaching certification. Retired district employees receive some health care benefit depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advance funded on an actuarially determined basis through the TRS and CERS plans. The TRS publicly available financial report may be obtained from <https://trs.ky.gov/administration/financial-reports-information/>. CERS issues a publicly available financial report that can be obtained at <https://kyret.ky.gov/Employers/GASB/Pages/default.aspx>.

**TRS – OPEB**

The Commonwealth of Kentucky (State) reports a liability, deferred outflows of resources and deferred inflows of resources, and expenses as a result of the statutory requirement to contribute to the TRS Medical Insurance (Health Trust) and Life Insurance Plans (Life Trust). The following information is about the TRS plans:

**TRS Medical Insurance Fund (Health Trust)**

Plan description

In addition to the retirement annuity plan described previously, KRS 161.675 requires TRS to provide access to post-employment healthcare benefits for eligible employees and dependents. The TRS medical plan (Health Trust) is a cost-sharing multiple-employer defined benefit plan. The Health Trust is funded by employer and member contributions. Changes to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance (KDEI), and the General Assembly.

The TRS medical plan is funded by employee contributions to an account established pursuant to 26 U.S.C. sec. 401(h). Additional funding is derived from the Kentucky Teacher’s’ Retirement System insurance trust fund that went into effect on July 1, 2010. The insurance trust fund provides a trust separate from the account established pursuant to 26 U.S.C. sec. 401(h). The insurance trust fund includes employer and retired member contribution required under KRS 161.550 and KRS 161.675(4)(b).

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**TRS Medical Insurance Fund (Health Trust) (Continued)**

**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, 7.50% of the gross annual payroll of members is contributed. 3.75% is paid by member contributions and .75% from State appropriation and 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.

The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits ("OPEB") plan for members that cover all regular full-time members employed in non-hazardous duty positions of any State department, board, agency, county, city, school board, and any additional eligible local agencies electing to participate. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

**TRS Postemployment Life Insurance Benefits (Life Trust)**

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

**Benefits Provided**

The TRS Life Insurance Plan provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. Active members may receive a \$2,000 lump sum payable. The benefit is payable 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 payroll of members is contributed by the state.

**CERS – OPEB**

**Plan description**

CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003. KPPA pays a percentage of the monthly contribution rate for insurance covered based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for both the member and dependent coverage.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**CERS – OPEB (Continued)**

Benefits provided

The percentage of premium subsidies for CERS ranges from 0% for less than 4 years of service to 100% for 20 years or more service. For members who initiated participation in CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KPPA health plans.

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

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

Contributions

For the 2023 measurement period, CERS did not allocate any of the 23.34% actuarially required contribution rate paid by employers to be used for funding of the healthcare benefit. However, 1% of the tier 2 and 3 employee contributions of 6% are allocated to the health insurance plan.

On June 30, 2024, the amount recognized by the District as its proportionate share of the net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability with the District were as follows:

District's proportionate share of the net TRS OPEB MIF liability	\$ 12,798,000
District's proportionate share of the net CERS OPEB MIF liability	<u>(600,389)</u>
Total district proportionate share	\$ 12,197,611
Commonwealth's proportionate share of the net TRS OPEB - MIF liability associated with the District	<u>10,787,000</u>
Total	<u>\$ 22,984,611</u>

For the year ended June 30, 2024, the District did not recognize CERS OPEB expense. The net OPEB liability for each plan was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. For the year ended June 30, 2024, based on actuarial valuation, the district recognized on the statement of activities adjusted total net OPEB expense of \$2,872,988 (an increase of \$2,870,980 in governmental funds and a decrease of \$2,008 in the business type activity funds).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 418,562	\$ 12,862,918
Changes of assumptions	4,090,523	823,403
Net difference between project and actual earnings on	1,362,604	1,262,943
Changes in proportion and difference between District		
contributions and proportionate share of contributions	5,203,563	6,192,219
District contributions subsequent to the measurement date	<u>1,839,170</u>	<u>-</u>
Totals	<u>\$ 12,914,422</u>	<u>\$ 21,141,483</u>

**PULASKI COUNTY BOARD OF EDUCATION**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)**

Contributions (Continued)

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,839,170 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, 2024. 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:

Fiscal Year Ending June 30:	TRS	CERS
2024	\$ (723,000)	\$ (2,046,002)
2025	(629,000)	(2,515,960)
2026	212,000	(1,844,656)
2027	85,000	(1,578,613)
2028	(474,000)	-
Thereafter	(552,000)	-

Actuarial assumptions for TRS are as follows:

Inflation	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Salary increases, including wage inflation	3.00%-7.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	
Health Trust	7.10%
Life Trust	7.10%
Single Equivalent Interest Rate, Net of OPEB plan investment Expense, including price Inflation	
Heath Trust	7.10%
Life Trust	7.10%
Health Trust Cost Trends	
Medical Trend	6.75% for FYE 2023 decreasing to an ultimate rate of 4.50% by FYE 2032
Medicare Part B Premiums	1.55% for FYE 2023 with an ultimate rate of 4.50% by FYE 2034

Actuarial assumptions for CERS are as follows:

Inflation	2.30%
Payroll growth	2.00%
Salary increases, including	3.30% to 10.30%, varies by service
Investment Return	6.25%

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)**

For TRS, Mortality rates were based on the Pub2010 (Teachers Amount-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, deferred vested retirees, and active members. For CERS, mortality rates were based on 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 demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The long-term expected rate of return on Health and Life Trust 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

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	Health Insurance Trust	
	Target Allocation	Real Rate of Return
Large Cap U.S. Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	9.00%	1.90%
High Yield Bonds	8.00%	3.80%
Other Additional Categories	9.00%	3.70%
Real Estate	6.50%	3.20%
Private Equity	8.50%	8.00%
Cash	1.00%	1.60%
Total	100.00%	

Asset Class	Life Insurance Trust	
	Target Allocation	Real Rate of Return
U.S. Equity	40.00%	5.20%
Developed Interantional Equity	15.00%	5.50%
Emerging Market Equity	5.00%	6.10%
Fixed Income	21.00%	1.90%
Other Additional Categories	5.00%	4.00%
Real Estate	7.00%	3.20%
Private Equity	5.00%	8.00%
Cash	2.00%	1.60%
Total	100.00%	

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)**

**Discount Rate**

The discount rate used to measure the TOL as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022.

OPEB Plan Fiduciary Net Position--Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued TRS financial report.

For CERS, the target allocation and best estimates of arithmetic real rates of return for each major asset class, are summarized in the following table:

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

For TRS, the discount rate used to measure the TOL at June 30, 2022 was 7.10% for the Health Trust and 7.10% for the Life Trust. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010, were assumed to be paid by either the State or the retirees themselves.
- As administrative expenses, other than the administrative fee of \$8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)**

Discount Rate (Continued)

- Future contributions to the Health Trust were based upon the contribution rates defined in statute and projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system’s actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
  - Employee contributions
  - School District/University Contributions
  - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

To reflect these adjustments, open group projections were used and assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year’s valuation and in accordance with the Health Trust’s funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.674(4)(b).

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

Based on these assumptions, the Health Trust’s FNP was not projected to be depleted.

Life Trust Discount rate.

The discount rate used to measure the TOL as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of the Life Trust’s cash flows:

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

Based on the assumptions, the Life Trust’s FNP was not projected to be depleted.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)**

**Long-term rate of return**

The long-term expected rate of return on Health Trust and Life Trust 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.

**Municipal bond rate**

The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used, if necessary, for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate for the month of June.

Projected future benefit payments for all current plan members were projected through 2122.

**CERS**

Single discount rates of 5.93% for the CERS non-hazardous system were used to measure the total OPEB liability as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit study.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

The proportionate share(s) of the Collective OPEB Amounts for employers that participate in these cost-sharing multiple employers plans were determined using the employers' actual contributions for the fiscal year ending June 30, 2023. This method is expected to be reflective of the employers' long-term contribution effort as well as be transparent to individual employers and their external auditors.

There were no non-employer contributions during fiscal year ending June 30, 2024.

**Long-Term Debt**

**Lease Obligations**

The District is the lessee of buses under leases expiring in various years through 2031. The assets and liabilities under leases are recorded at the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated productive lives. Amortization of assets under leases is included in depreciation expense for fiscal year 2023.

The following is a schedule by years of the future principal payments under leases as of June 30, 2024:



**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Long-Term Debt (Continued)**

Fiscal Year Ending June 30:	Leases Payable
2025	\$ 668,638
2026	564,410
2027	464,151
2028	358,487
2029	253,835
2030-2031	<u>242,652</u>
Net minimum lease payable	2,552,173
Amount representing interest	<u>(151,041)</u>
Present value of net minimum lease payments	<u>\$ 2,401,132</u>

The Kentucky School Facility Construction Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting the school construction needs. Through a “participation agreement” with the District, the Commission agreed to pay annual debt service requirements on behalf of the District.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to maturity, the minimum obligation of the District, including amounts to be paid by the Commission, on June 30, 2024 for debt services are as follows:

	Interest Rates	Maturity Date	Original Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
<b>Governmental Activities:</b>								
Revenue Bonds:								
Series 2014	1.10 - 4.00%	5/1/2034	\$ 5,950,000	\$ 5,460,000	\$ -	\$ 65,000	\$ 5,395,000	\$ 25,000
Series 2015	1.00 - 2.35%	4/1/2026	4,500,000	2,605,000	-	730,000	1,875,000	945,000
Series 2018	3.25 - 3.625%	10/1/2038	2,775,000	2,465,000	-	85,000	2,380,000	85,000
Series 2019	1.50 - 2.50%	9/1/2039	1,450,000	1,320,000	-	40,000	1,280,000	40,000
Series 2021	1.70%	2/1/2041	1,835,000	1,675,000	-	80,000	1,595,000	80,000
Series 2022	2.00 - 3.00%	2/1/2042	2,455,000	2,355,000	-	100,000	2,255,000	105,000
Series 2022 - 2nd Issue	3.00%	4/1/2032	4,010,000	3,655,000	-	360,000	3,295,000	370,000
Series 2022 - Energy	4.00%	6/1/2042	10,660,000	10,330,000	-	275,000	10,055,000	295,000
Series 2022 - Energy 2nd Issue	3.00 - 4.125%	6/1/2042	1,835,000	1,735,000	-	65,000	1,670,000	70,000
Series 2023	4.125 - 4.375%	6/1/2043	43,395,000	43,395,000	-	40,000	43,355,000	35,000
Refunding Revenue Bonds:								
Series 2012 R2	0.50 - 2.00%	8/1/2023	1,940,000	32,498	-	32,498	-	-
Series 2012R	1.50 - 2.00%	5/1/2024	1,600,000	225,000	-	225,000	-	-
Series 2016R	2.00%	6/1/2027	2,080,000	800,000	-	195,000	605,000	200,000
Series 2017R	2.00 - 3.00%	4/1/2029	23,685,000	17,770,000	-	1,965,000	15,805,000	2,395,000
Series 2020R	1.00 - 1.75%	3/1/2031	7,395,000	6,645,000	-	290,000	6,355,000	275,000
Series 2021R	1.50 - 2.15%	2/1/2032	2,630,000	2,410,000	-	100,000	2,310,000	110,000
<b>Total Bonds</b>			<u>\$ 118,195,000</u>	<u>\$ 102,877,498</u>	<u>\$ -</u>	<u>\$ 4,647,498</u>	<u>\$ 98,230,000</u>	<u>\$ 5,030,000</u>
<b>Other Liabilities</b>								
Lease obligations				3,091,055	-	689,923	2,401,132	614,430
Sick Leave				3,980,260	338,146	-	4,318,406	1,065,607
Pension Liability				28,880,761	-	2,231,149	26,649,612	-
OPEB Liability				25,826,502	-	14,176,998	11,649,504	-
<b>Total Other Liabilities</b>				<u>61,778,578</u>	<u>338,146</u>	<u>17,098,070</u>	<u>45,018,654</u>	<u>1,680,037</u>
<b>Total Governmental Activities Liabilities</b>				<u>\$ 164,656,076</u>	<u>\$ 338,146</u>	<u>\$ 21,745,568</u>	<u>\$ 143,248,654</u>	<u>\$ 6,710,037</u>

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**Long-Term Debt (Continued)**

The future principal and interest payments on long-term debt are as follows:

Fiscal Year Ending	District		Kentucky School Facility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,612,024	\$ 3,353,211	\$ 417,976	\$ 110,952	\$ 5,030,000	\$ 3,464,163
2026	4,737,217	3,226,751	427,783	101,145	5,165,000	3,327,896
2027	4,892,129	3,095,854	437,871	91,056	5,330,000	3,186,910
2028	5,043,436	2,954,004	231,564	80,691	5,275,000	3,034,695
2029	5,207,016	2,806,401	237,984	74,270	5,445,000	2,880,671
2030	4,216,497	2,650,876	168,503	67,636	4,385,000	2,718,512
2031	4,321,936	2,557,024	173,064	63,076	4,495,000	2,620,100
2032	4,194,510	2,458,737	155,490	58,374	4,350,000	2,517,111
2033	4,345,018	2,317,585	159,982	53,882	4,505,000	2,371,467
2034	4,520,382	2,157,344	164,618	49,246	4,685,000	2,206,590
2035	4,714,124	1,979,739	135,876	44,086	4,850,000	2,023,825
2036	4,915,214	1,792,010	139,856	40,106	5,055,070	1,832,116
2037	5,129,239	1,596,145	145,761	35,778	5,275,000	1,631,923
2038	5,347,730	1,391,164	152,270	31,267	5,500,000	1,422,431
2039	5,579,038	1,177,305	155,962	26,075	5,735,000	1,203,380
2040	5,820,036	953,614	164,964	20,673	5,985,000	974,287
2041	6,075,732	715,344	169,268	14,970	6,245,000	730,314
2042	6,346,168	462,786	173,832	9,107	6,520,000	471,893
2043	4,331,553	189,508	68,377	2,992	4,399,930	192,500
<b>Totals</b>	<b>\$ 94,348,999</b>	<b>\$ 37,835,402</b>	<b>\$ 3,881,001</b>	<b>\$ 975,382</b>	<b>\$ 98,230,000</b>	<b>\$ 38,810,784</b>

**Interfund transfers**

Interfund transfers are used to fund operations in the various accounts. The composition of interfund transfers as of June 30, 2024 is as follows:

	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund	\$ 316,933	\$ 741,277
Special Revenue Fund	140,882	8,696,047
Capital Outlay Fund	-	698,525
Building Fund	-	7,097,014
Construction Fund	8,696,047	-
Debt Service Fund	8,395,934	
Food Service Fund	-	316,933
<b>Total Transfers</b>	<b>\$ 17,549,796</b>	<b>\$ 17,549,796</b>

Transfers were made between funds to cover operations, indirect costs, construction projects, and debt service payments.

**PULASKI COUNTY BOARD OF EDUCATION**

**Notes to the Financial Statements**

**Year Ended June 30, 2024**

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**Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)**

**On-Behalf payments**

The Commonwealth of Kentucky makes payments on-behalf of the District for the employer’s portion of health benefits, teacher’s retirement, technology, and debt service.

Kentucky Teachers Retirement System	\$ 11,097,681
Health, Life, Vision & Dental Insurance	10,414,110
Technology	161,237
Debt Service	561,752
Total On-Behalf	<u>\$ 22,234,780</u>

**Commitments and 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 advances, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District’s grant programs is predicated upon the grantors’ satisfaction that the funds provided are being spent as intended and the grantors’ intent to continue their programs.

The district also had construction commitments for on-going projects at June 30, 2024.

**Pulaski County School District**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of the District's Proportionate Share of Net Pension Liability – TRS and CERS  
For the Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
<b>Teacher's Retirement System of the State of Kentucky (TRS)</b>										
District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net pension liability	-	-	-	-	-	-	-	-	-	-
State's proportionate share of pension liability associated with the District	\$ 170,103,805	\$ 176,305,663	\$ 130,641,711	\$ 139,687,284	\$ 136,531,389	\$ 133,840,262	\$ 275,575,036	\$ 303,276,104	\$ 232,487,535	\$ 208,474,524
<b>Total</b>	<b>\$ 170,103,805</b>	<b>\$ 176,305,663</b>	<b>\$ 130,641,711</b>	<b>\$ 139,687,284</b>	<b>\$ 136,531,389</b>	<b>\$ 133,840,262</b>	<b>\$ 275,575,036</b>	<b>\$ 303,276,104</b>	<b>\$ 232,487,535</b>	<b>\$ 208,474,524</b>
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808	\$ 34,191,833	\$ 34,109,543	\$ 32,792,728
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.22%	42.49%	45.59%
<b>County Employee Retirement System (CERS)</b>										
District's proportion of the net pension liability	0.434870%	0.415933%	0.428385%	0.464756%	0.476407%	0.443614%	0.444678%	0.450032%	0.446429%	0.438221%
District's proportionate share of the net pension liability	\$ 27,903,470	\$ 30,067,853	\$ 27,312,904	\$ 35,646,400	\$ 33,505,917	\$ 27,017,445	\$ 26,028,370	\$ 22,157,839	\$ 19,194,327	\$ 14,217,550
State's proportionate share of the net pension liability	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 27,903,470</b>	<b>\$ 30,067,853</b>	<b>\$ 27,312,904</b>	<b>\$ 35,646,400</b>	<b>\$ 33,505,917</b>	<b>\$ 27,017,445</b>	<b>\$ 26,028,370</b>	<b>\$ 22,157,839</b>	<b>\$ 19,194,327</b>	<b>\$ 14,217,550</b>
District's covered-employee payroll	\$ 13,965,939	\$ 13,024,807	\$ 12,742,408	\$ 11,186,410	\$ 12,164,773	\$ 12,416,811	\$ 11,187,930	\$ 11,041,179	\$ 10,948,667	\$ 10,596,488
District's proportionate share of the net pension										

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

See the accompanying notes to the required supplementary information.

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions TRS and CERS - Pension  
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Teacher's Retirement System of the State of Kentucky (TRS)</b>										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808	\$ 34,191,833	\$ 34,109,543	\$ 32,792,728
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>County Employee Retirement System (CERS)</b>										
Contractually required contribution	\$ 3,275,380	\$ 3,020,619	\$ 2,510,104	\$ 2,157,126	\$ 2,347,801	\$ 2,014,007	\$ 1,620,012	\$ 1,540,244	\$ 1,359,825	\$ 1,347,954
Contributions in relation to the contractually required contribution	3,275,380	3,020,619	2,510,104	2,157,126	2,347,801	2,014,007	1,620,012	1,540,244	1,359,825	1,347,954
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 13,965,939	\$ 13,024,807	\$ 12,742,408	\$ 11,186,410	\$ 12,164,773	\$ 12,416,811	\$ 11,187,930	\$ 11,041,179	\$ 10,948,667	\$ 10,596,488
District's contributions as a percentage of its covered-employee payroll	23.45%	23.19%	19.70%	19.28%	19.30%	16.22%	14.48%	13.95%	12.42%	12.72%

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

See the accompanying notes to the required supplementary information.

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information – Pension  
For the Year Ended June 30, 2024

TRS

Changes of benefit terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the actuary report found at <https://trs.ky.gov/wp-content/uploads/2024/06/TRS-GASB-68-Report-2022-Actuary.pdf>.

Changes of assumptions

- In 2014, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.16% to 5.23%.
- In 2015, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.23% to 4.88%.
- In 2016 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation, the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.
- In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%.
- In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.
- In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was change to the Pub2010 Mortality Table (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50 percent to 7.10 percent and the price inflation assumption was lowered from 3.00 percent to 2.50 percent. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

CERS

Changes of Benefit Terms

2022 None

2021 None

2020 None

2019 None

2018 None

2017 None

2016 None

Notes to Required Supplementary Information – Pension

For the Year Ended June 30, 2024

(Continued)

CERS (Continued)

Changes of Assumptions

2022 None

2021 Pension and OPEB - the salary increase assumption changed from 3.30% - 10.30% to 3.30% - 11.55% OPEB - single discount rate changed from 5.68% to 5.34%

2020 Pension and OPEB - the salary increase assumption changed from 3.05% to 3.30% - 10.30% OPEB - single discount rate changed from 5.85% to 5.68%

2019 Pension and OPEB - the salary increases assumption was changed from 2.00% to 3.05% OPEB, the single discount rate changed from 5.84% to 5.85%

2018 Pension and OPEB - the assumed investment return was changed from 7.50% to 6.25%; the price inflation assumption was changed from 3.25% to 2.40%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service; and the payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%. OPEB - the single discount rate changed from 6.89 to 5.84%.

2017 None

2016 Pension -the assumed investment rate of return was decreased from 7.75% to 7.50%; the assumed rate of inflation was reduced from 3.50% to 3.25%; the assumed rate of wage inflation was reduced from 1.00% to 0.75%; payroll growth assumption was reduced from 4.50% to 4.00%; and the assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

Life Insurance Plan Changes of Benefit Terms

2022 Benefit change due to the benefit tier that was added for members joining the system after January 1, 2022.

2021 None

2020 None

2019 None

2018 None

Changes of Assumptions

2022 The municipal bond index rate increased from 2.19% to 3.37%.

2021 The municipal bond index rate decreased from 3.50% to 2.19%

2020 The municipal bond index rate decreased from 3.89% to 3.50%

2019 The municipal bond index rate increased from 3.56% to 3.89%

2018 None

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net OPEB Liability Medical & Life Insurance Plans - TRS – OPEB  
For the Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
<b>MEDICAL INSURANCE PLAN</b>							
District's proportion of the collective OPEB liability	0.525452%	0.552498%	0.536705%	0.529636%	0.529000%	0.590000%	0.540600%
District's proportionate share of the collective net OPEB liability	\$ 12,798,000	\$ 18,681,000	\$ 11,516,000	\$ 13,367,000	\$ 15,656,000	\$ 18,355,000	\$ 19,278,000
State's proportionate share of the collective net OPEB liability associated with the District	10,787,000	6,137,000	9,352,000	10,707,000	12,643,000	15,818,000	15,748,000
Total	\$ 23,585,000	\$ 24,818,000	\$ 20,868,000	\$ 24,074,000	\$ 28,299,000	\$ 34,173,000	\$ 35,026,000
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	33.55%	50.69%	31.42%	42.13%	44.93%	54.58%	54.89%
Plan fiduciary net position as a percentage of the total OPEB	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.20%
<b>LIFE INSURANCE PLAN</b>							
District's proportion of the collective OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability associated with the District	267,000	305,000	124,000	324,000	294,000	271,000	211,000
Total	\$ 267,000	\$ 305,000	\$ 124,000	\$ 324,000	\$ 294,000	\$ 271,000	\$ 211,000
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB	76.91%	73.97%	89.15%	71.57%	73.40%	75.00%	80.00%

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

See the accompanying notes to the required supplementary information.



Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Contributions - TRS – OPEB  
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>MEDICAL INSURANCE PLAN</b>							
Contractually required contribution	\$ 1,839,170	\$ 722,995	\$ 672,276	\$ 693,191	\$ 688,724	\$ 672,607	\$ 647,154
Contributions in relation to the contractually required contribution	<u>1,839,170</u>	<u>722,995</u>	<u>672,276</u>	<u>693,191</u>	<u>688,724</u>	<u>672,607</u>	<u>647,154</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808
District's contributions as a percentage of it's covered-employee payroll	4.82%	1.96%	1.83%	2.18%	1.98%	2.00%	1.84%
<b>LIFE INSURANCE PLAN</b>							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 38,142,415	\$ 36,853,042	\$ 36,655,814	\$ 31,725,731	\$ 34,841,873	\$ 33,628,697	\$ 35,123,808
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See the accompanying notes to the required supplementary information.

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of District's Proportionate Share of the Net OPEB Liability – CERS  
For the Year Ended June 30, 2024

	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
<b>HEALTH INSURANCE PLAN</b>							
District's proportion of the collective OPEB liability	0.434854%	0.415860%	0.428284%	0.464622%	0.483347%	0.443598%	0.444678%
District's proportionate share of the collective net OPEB liability	\$ (600,389)	\$ 8,207,054	\$ 8,199,283	\$ 11,219,208	\$ 8,129,679	\$ 7,875,994	\$ 8,939,549
State's proportionate share of the collective net OPEB liability associated with the District	-	-	-	-	-	-	-
Total	<u>\$ (600,389)</u>	<u>\$ 8,207,054</u>	<u>\$ 8,199,283</u>	<u>\$ 11,219,208</u>	<u>\$ 8,129,679</u>	<u>\$ 7,875,994</u>	<u>\$ 8,939,549</u>
District's covered-employee payroll	\$ 13,965,939	\$ 13,024,807	\$ 12,742,408	\$ 11,186,410	\$ 6,503,279	\$ 6,366,878	\$ 5,890,324
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	-4.30%	63.01%	64.35%	100.29%	125.01%	123.70%	151.77%
Plan fiduciary net position as a percentage of the total OPEB	60.95%	62.91%	58.41%	51.67%	60.44%	57.62%	52.39%

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

See the accompanying notes to the required supplementary information.

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions OPEB Liability – CERS  
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>HEALTH INSURANCE PLAN</b>							
Contractually required contribution	\$ -	\$ -	\$ 495,548	\$ 349,418	\$ 352,514	\$ 377,573	\$ 302,127
Contributions in relation to the contractually required contribution	-	-	495,548	349,418	352,514	377,573	302,127
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,965,939	\$ 13,024,807	\$ 12,742,408	\$ 11,186,410	\$ 6,503,279	\$ 6,366,878	\$ 5,890,324
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	3.89%	3.12%	5.42%	5.93%	5.13%

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

See the accompanying notes to the required supplementary information.

Pulaski County School District  
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information – OPEB  
For the Year Ended June 30, 2024

TRS

Note I - Changes of Benefit Terms

Health and Life Trust

June 30, 2022 (Valuation Date: June 30, 2021)

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

June 30, 2021 (Valuation Date: June 30, 2020)

- None

June 30, 2020 (Valuation Date: June 30, 2019)

- None

June 30, 2019 (Valuation Date: June 30, 2018)

- None

June 30, 2018 (Valuation Date: June 30, 2017)

Health Trust

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

- Life Trust - none

Note II - Changes to assumptions or other inputs

Health Trust

The changes adopted by the Board on September 20, 2021, include various demographic and economic assumptions summarized below:

- Price Inflation changed assumed rate from 3.00% to 2.50%,
- Wage Inflation changed assumed rated from 3.50% to 2.75%,
- Assumed investment rate of return changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10% for both.
- Assumed Salary Scale adjusted to reflect a decrease of 0.25% in merit and promotion for all ages.
- Assumed rate of mortality have been revised to the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with the MP-2020 improvement scale with various set-forwards, set-backs, and adjustments.
- Assumed rate of Withdrawal, Disability, Retirement, and Mortality have been adjusted to more closely reflect experience, and
- Assumed rates of member and spousal participation have been adjusted to more closely reflect experience.

Notes to Required Supplementary Information – OPEB  
For the Year Ended June 30, 2024  
(Continued)

Life Trust

None

CERS

Single discount rates of 5.20% for the CERS non-hazardous insurance plan and 5.05% for the CERS hazardous insurance plan were used to measure the total OPEB liability as of June 30, 2021. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

PULASKI COUNTY SCHOOL DISTRICT

Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2024

	District Activity Fund	Student Activity Fund	Capital Outlay Fund	Facility Support Program (FSKP) Fund	Debt Service Fund	Total Non-Major Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 646,089	\$ 714,706	\$ 98,827	\$ 1,702,905	\$ -	\$ 3,162,527
Interfund receivables	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Receivables						
Taxes-current	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental - state	-	-	-	-	-	-
Intergovernmental - federal	-	-	-	-	-	-
Total assets	<u>646,089</u>	<u>714,706</u>	<u>98,827</u>	<u>1,702,905</u>	<u>-</u>	<u>3,162,527</u>
<b>LIABILITIES</b>						
Accounts payable	8,327	-	-	-	-	8,327
Interfund payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>8,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,327</u>
<b>FUND BALANCE</b>						
Restricted	620,037	671,674	98,827	1,702,905	-	3,093,443
Committed	-	-	-	-	-	-
Assigned	17,725	-	-	-	-	17,725
Unassigned	-	43,032	-	-	-	43,032
Total fund balance	<u>637,762</u>	<u>714,706</u>	<u>98,827</u>	<u>1,702,905</u>	<u>-</u>	<u>3,154,200</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 646,089</u>	<u>\$ 714,706</u>	<u>\$ 98,827</u>	<u>\$ 1,702,905</u>	<u>\$ -</u>	<u>\$ 3,162,527</u>

PULASKI COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds  
For the Year Ended June 30, 2024

	District Activity Fund	Student Activity Fund	Capital Outlay Fund	Facility Support Program (FSKP) Fund	Debt Service Fund	Total Non-Major Funds
<b>REVENUES</b>						
From Local Sources						
Taxes						
Property	\$ -	\$ -	\$ -	\$ 4,710,168	\$ -	\$ 4,710,168
Motor vehicle	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Earnings on investments	41,045	-	-	-	-	41,045
Tuition	-	-	-	-	-	-
Student activities	-	2,276,208	-	-	-	2,276,208
Other local revenue	393,417	-	-	-	-	393,417
Intergovernmental - state	-	-	698,525	2,386,846	561,752	3,647,123
Intergovernmental - federal	-	-	-	-	-	-
<b>Total revenues</b>	<b>434,462</b>	<b>2,276,208</b>	<b>698,525</b>	<b>7,097,014</b>	<b>561,752</b>	<b>11,067,961</b>
<b>EXPENDITURES</b>						
Instruction	306,929	2,233,176	-	-	-	2,540,105
Support services						
Student	1,044	-	-	-	-	1,044
Instructional staff	50,165	-	-	-	-	50,165
District Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Plant operation and maintenance	24,474	-	-	-	-	24,474
Student Transportation	10,847	-	-	-	-	10,847
Community Services Operations	-	-	-	-	-	-
Site improvements	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	5,337,421	5,337,421
Interest	-	-	-	-	3,620,265	3,620,265
Cost of issuance	-	-	-	-	-	-
<b>Total expenditures</b>	<b>393,459</b>	<b>2,233,176</b>	<b>-</b>	<b>-</b>	<b>8,957,686</b>	<b>11,584,321</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>41,003</b>	<b>43,032</b>	<b>698,525</b>	<b>7,097,014</b>	<b>(8,395,934)</b>	<b>(516,360)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of equipment	-	-	-	-	-	-
Loss compensation	-	-	-	-	-	-
Operating transfers in	-	-	-	-	8,395,934	8,395,934
Operating transfers (out)	-	-	(698,525)	(7,097,014)	-	(7,795,539)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>(698,525)</b>	<b>(7,097,014)</b>	<b>8,395,934</b>	<b>600,395</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>41,003</b>	<b>43,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,035</b>
<b>FUND BALANCE - BEGINNING</b>	<b>596,759</b>	<b>671,674</b>	<b>98,827</b>	<b>1,702,905</b>	<b>-</b>	<b>3,070,165</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 637,762</b>	<b>\$ 714,706</b>	<b>\$ 98,827</b>	<b>\$ 1,702,905</b>	<b>\$ -</b>	<b>\$ 3,154,200</b>

PULASKI COUNTY SCHOOL DISTRICT

Student Activity Funds – Combining Schedule of Cash Receipts, Cash Disbursements and Cash Balances  
For the Year Ended June 30, 2024

School	CASH			CASH
	BALANCES	RECEIPTS	DISBURSEMENTS	BALANCES
	July 1, 2023			June 30, 2024
Pulaski High School	\$ 222,445	\$ 641,286	\$ 610,763	\$ 252,968
Southwestern High School	214,147	558,065	530,674	241,538
Northern Middle School	78,426	293,062	293,546	77,942
Southern Middle School	85,092	268,656	266,310	87,438
Burnside Elementary	19,214	50,907	61,143	8,978
Eubank Elementary	3,084	70,034	65,926	7,192
Nancy Elementary	6,090	72,600	70,885	7,805
Northern Elementary	6,812	34,887	35,507	6,192
Oakhill Elementary	2,690	43,014	43,490	2,214
Pulaski Co. Elementary	11,863	103,599	102,123	13,339
Shopville Elementary	4,944	50,286	56,098	(868)
Southern Elementary	16,867	89,812	96,711	9,968
Total School Activity Funds	<u>\$ 671,674</u>	<u>\$ 2,276,208</u>	<u>\$ 2,233,176</u>	<u>\$ 714,706</u>



PULASKI COUNTY SCHOOL DISTRICT

Student Activity Funds – Pulaski County High School  
 Schedule of Cash Receipts, Cash Disbursements and Cash Balances

For the Year Ended June 30, 2024

Activity	CASH		CASH	
	BALANCES July 1, 2023	RECEIPTS AND TRANSFERS	DISBURSEMENTS AND TRANSFERS	BALANCES June 30, 2024
General Fund	\$ 10,129	\$ 2,883	\$ 2,106	\$ 10,906
Sweep Account	100	16,399	13,860	2,639
AP Testing	2,774	100	-	2,874
Bio Med Lab Fees	100	-	-	100
Donations	210	-	-	210
FCS Lab Fees	289	-	-	289
Fundraising	2,447	1,985	4,257	175
Project Graduation	3,954	9,875	10,404	3,425
Prom	6,678	12,360	19,834	(796)
School Store	55,450	92,110	70,809	76,751
Academic Team	72	-	72	-
Ag-Pro Club	29,041	13,459	24,294	18,206
Ag-Small Animal Club	2,000	125	1,544	581
Agri-Mechanics	572	200	547	225
Anime Club	4	-	-	4
Art Club	64	-	61	3
Beta Club	875	1,618	205	2,288
Book Club	1,712	633	555	1,790
Chess Club	282	130	-	412
Chorus	11,668	26,443	30,187	7,924
Culinary Art Club	2,320	2,491	467	4,344
DECA	14,046	112,178	103,135	23,089
Disc Golf Club	24	-	-	24
Drama Club	5,472	5,859	6,428	4,903
Educators Rising Club	485	-	-	485
FBLA	4,084	32,013	34,152	1,945
FCA	1,855	28	-	1,883
FCCLA	6,845	14,201	11,284	9,762
FFA	698	63,884	63,912	670
History Club	8	-	-	8
HOSA	1,519	13,307	11,569	3,257
Human Geo Club	250	-	-	250
Kool Kardz Klub	612	190	169	633
MAST Crew	184	144	136	192
Media Club	329	-	-	329
National Honor Society	3,448	1,950	2,550	2,848
PEP Club	222	289	216	295
MSN Awards	123	1,575	416	1,282
ROTC	6,422	3,804	6,150	4,076
RPG Club	444	240	250	434
Saddle Up Club	32	-	34	(2)
Spanish NHS	566	-	-	566
STLP	595	340	550	385
Student Government	784	160	331	613
TSA Club	1,052	2,030	1,721	1,361

PULASKI COUNTY SCHOOL DISTRICT  
Student Activity Funds – Pulaski County High School  
Schedule of Cash Receipts, Cash Disbursements, and Cash Balances  
For the Year Ended June 30, 2024  
(Continued)

Activity	CASH		CASH	
	BALANCES July 1, 2023	RECEIPTS AND TRANSFERS	DISBURSEMENTS AND TRANSFERS	BALANCES June 30, 2024
Unite Club	\$ 10	\$ -	\$ -	\$ 10
Y-Club	675	11,465	11,397	743
Yearbook	3,033	1,501	324	4,210
Athletics	16,715	131,761	142,307	6,169
Regions Basketball	-	53,252	29,753	23,499
Archery	8,592	9,761	6,877	11,476
Boys Basketball	1,223	500	-	1,723
Boys Golf	79	-	-	79
Boys Soccer	6,552	-	-	6,552
Cheer	312	-	-	312
Dance Team	-	1,920	-	1,920
Fishing	1,098	1,348	1,462	984
Girls Golf	101	-	-	101
Softball	-	235	-	235
Swim Team	87	4,073	3,665	495
Tennis	2,959	-	216	2,743
Volleyball	169	-	90	79
Subtotal	222,445	648,819	618,296	252,968
Interfund Transfers	-	7,533	7,533	-
Total	\$ 222,445	\$ 641,286	\$ 610,763	\$ 252,968

PULASKI COUNTY SCHOOL DISTRICT

Student Activity Funds – Southwestern High School  
 Schedule of Cash Receipts, Cash Disbursements and Cash Balances

For the Year Ended June 30, 2024

Activity	CASH	RECEIPTS	DISBURSEMENTS	CASH
	BALANCES	AND TRANSFERS	AND TRANSFERS	BALANCES
	July 1, 2023			June 30, 2024
General Fund	\$ 1,377	\$ 313	\$ 275	\$ 1,415
SCO Rounding	-	128		128
Sweep Account	-	51,122	49,961	1,161
Bio Med Lab Fees	1,428	-	-	1,428
FCS Lab Fees	-	1,015	1,015	-
Gear Up	-	697	697	-
Project Graduation	5,923	7,350	5,711	7,562
Prom	16,118	15,340	13,540	17,918
School Store	18,778	151,585	145,808	24,555
Academic Team	327	-	60	267
Ag-Pro Club	957	-	487	470
Agri-Mechanics	-	300	-	300
Art Club	1,040	-	335	705
Best Buddies Club	138	1,414	1,391	161
Chorus	265	7,269	7,492	42
Family and Consumer Science	6,393	2,682	4,174	4,901
Dance Blue Club	-	6,096	5,814	282
DECA	8,977	2,658	4,697	6,938
Drama Club	3,235	1,975	520	4,690
Educators Rising Club	704	826	957	573
Environmental Club	953	-	-	953
FBLA	11,962	2,955	6,045	8,872
FCA	320	-	-	320
FCCLA	1,926	4,659	5,697	888
FFA	14,242	41,133	33,646	21,729
HOSA	380	4,566	4,305	641
LINK Crew	958	-	219	739
National Honor Society	6,979	5,185	3,557	8,607
PEP Club	902	1,292	1,254	940
ROTC	6,637	11,184	15,670	2,151
Science Club	1,211	690	584	1,317
Spanish Club	598	-	-	598
STLP	18	-	-	18
Student Government	456	110	417	149
TSA Club	1,003	4,966	5,212	757
Yearbook	8,574	6,635	1,552	13,657
Young Republicans	110	-	110	-
Athletics	52,456	139,729	137,004	55,181
3D Archery	265	-	-	265
Archery	3,913	-	-	3,913
Band	525	-	-	525
Baseball	1,330	-	-	1,330
Boys Basketball	6,068	-	4,558	1,510
Boys Golf	3,707	-	1,800	1,907
Boys Soccer	2,832	-	28	2,804

PULASKI COUNTY SCHOOL DISTRICT  
Student Activity Funds – Southwestern High School  
Schedule of Cash Receipts, Cash Disbursements, and Cash Balances  
For the Year Ended June 30, 2024  
(Continued)

Activity	CASH		CASH	
	BALANCES July 1, 2023	RECEIPTS AND TRANSFERS	DISBURSEMENTS AND TRANSFERS	BALANCES June 30, 2024
Cheer	\$ 2,185	\$ 70,224	\$ 52,504	\$ 19,905
Cross Country	1,182	5,697	6,663	216
Dance Team	2,500	-	-	2,500
Fishing	117	-	-	117
Football	1,746	-	-	1,746
Girls Basketball	37	-	-	37
Girls Golf	5,772	5,428	5,569	5,631
Girls Soccer	3,583	-	-	3,583
Swim Team	237	1,310	975	572
Tennis	1,205	250	648	807
Track	1,213	3,774	2,960	2,027
Girls Volleyball	385	1,023	300	1,108
Boys Volleyball	-	808	786	22
Subtotal	214,147	562,388	534,997	241,538
Interfund Transfers	-	4,323	4,323	-
Total	\$ 214,147	\$ 558,065	\$ 530,674	\$ 241,538

PULASKI COUNTY SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE/SUBTITLE	FEDERAL ASSISTANCE NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENT S	TOTAL FEDERAL EXPENDITURES
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>				
Child Nutrition Cluster -				
Passed Through Kentucky Department of Education: School Breakfast Program	10.553	7760005-23 7760005-24		\$ 365,443 <u>1,225,006</u> 1,590,449
Passed Through Kentucky Department of Education: Summer Food Service Program for Children	10.559	7690024-24 7690024-23 7740023-23 7740023-24		164 4,822 45,936 1,586 <u>52,508</u>
Passed Through Kentucky Department of Education: National School Lunch Program	10.555	7750002-23 7750002-24		859,660 <u>3,022,602</u> 3,882,262
Non-Cash Assistance (Commodities) National School Lunch Program TOTAL CHILD NUTRITION CLUSTER	10.555	4002806		<u>204,394</u> 5,729,613
Passed Through Kentucky Department of Education: Child and Adult Care Food Program	10.558	7790021-23 7790021-24 7800016-23 7800016-24		45,782 110,337 2,357 8,845 <u>167,321</u>
Passed Through Kentucky Department of Education: State Administrative Expenses for Child Nutrition	10.560	7700001-20		<u>33,619</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE				<u>5,930,553</u>
<u>UNITED STATES DEPARTMENT OF LABOR</u>				
WOPA Dislocated Worker Formula Grants	17.285			<u>171,134</u>
TOTAL UNITED STATES DEPARTMENT OF LABOR				<u>171,134</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>				
Special Education Cluster -				
Passed Through Kentucky Department of Education: Special Education Grants to States	84.027A	3810002-21 3810002-22 3810002-23		\$ 68,922 1,730,386 319,254 <u>2,118,562</u>
Passed Through Kentucky Department of Education: Special Education Grants to States Plan Act of 2021 (ARP)	84.027X	4910002-21		398,051
Passed Through Kentucky Department of Education: Special Education Preschool Grants	84.173A	3800002-21 3800002-22		31,285 49,577 <u>80,862</u>
TOTAL SPECIAL EDUCATION CLUSTER				<u>2,597,475</u>

The accompanying notes are an integral part of this schedule.

PULASKI COUNTY SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024  
(Continued)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE/SUBTITLE	FEDERAL ASSISTANCE NUMBER	PASS THROUGH		TOTAL FEDERAL EXPENDITURES
		ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENT S	
<u>UNITED STATES DEPARTMENT OF EDUCATION (CONTINUED)</u>				
Passed Through Kentucky Department of Education: Title I Grants To Local Educational Agencies	84.010A	3100202-21 3100202-22 3100202-23 3100002-22 3100002-23		\$ 17,717 217,477 50,472 1,105,255 2,422,981 <u>1,390,921</u>
Passed Through Kentucky Department of Education: Migrant Education State Grant Program	84.011A	3110002-22 3110002-23		114,581 128,395 <u>242,976</u>
Passed Through Kentucky Department of Education: Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	3100102-24		21,466
Passed Through Kentucky Department of Education: Career and Technical Education -- Basic Grants to States	84.048	3710002-22 3710002-23		16,798 120,081 <u>136,879</u>
Passed through Applalachian Education Service Agency Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180018A-24		397,500
Passed Through Kentucky Department of Education: Rural and Low-Income School Program	84.358	3140002-22 3140002-23		96,062 180,749 <u>276,811</u>
Passed Through Kentucky Department of Education: English Language Acquisition State Grants	84.365A	3300002-22 3300002-23		23,246 19,580 <u>42,826</u>
Passed Through Kentucky Department of Education: Supporting Effective Instruction State Grant	84.367	3230003-21 3230002-22 3300002-23		10,645 83,467 317,126 <u>411,238</u>
Passed Through Kentucky Department of Education: Student Support and Academic Enrichment Program	84.424A	3420002-21 3420002-22 3420002-23		168 88,260 208,400 <u>296,828</u>
Passed Through Kentucky Division of Family Resource And Youth Service Centers - Education Stabilization Fund Governor's Emergency Education Relief Fund	84.425C	CARE-20		37,246
Passed Through Kentucky Department of Education: Education Stabilization Fund Plan Act of 2021 (ARP)	84.425U	4980002-21 4300005-21 4300003-21 Unknown		12,122,180 465,570 8,396 29,430 <u>12,625,576</u>

The accompanying notes are an integral part of this schedule.

PULASKI COUNTY SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2024  
 (Continued)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE/SUBTITLE	FEDERAL ASSISTANCE NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENT S	TOTAL FEDERAL EXPENDITURES
<u>UNITED STATES DEPARTMENT OF EDUCATION (CONTINUED)</u>				
Passed Through Kentucky Department of Education: Education Stabilization Fund - American Rescue Plan Act of 2021 (ARP) - Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ARP-HCV)	84.425W	4980002-21		\$ 26,630
Total Education Stabilization Fund				<u>12,625,576</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION				<u>20,927,353</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through Kentucky Department of Education: Cooperative Agreements To Promote Adolescent Health Through School-Based HIV/STD Prevention And School-Based Surveillance	93.079	2100001-22 2100001-23		450 <u>398</u> 848
Passed Through Kentucky Department of Education: Improving Student Health and Academic Achievement Through Nutrition, Physical Activity and The Mangement Of Chronic Conditions In Schools	93.981	2200001-22		<u>1,747</u>
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>2,595</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 27,031,635</u>

The accompanying notes are an integral part of this schedule.

## PULASKI COUNTY SCHOOL DISTRICT

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the Pulaski County School District under the programs of the federal government for the year ended June 30, 2024. The information in the 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 Pulaski County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

#### **Note 2. Significant Accounting Policies**

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

#### **Note 3. Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disburse. For the year ended June 30, 2024, the District received food commodities totaling \$204,394.

#### **Note 4. Indirect Cost Rate**

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





PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

**Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Kentucky State Committee for School District Audits  
Board of Education of the Pulaski County School District  
Somerset, KY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract, Including Appendix II Instructions for Submissions of the Audit Report*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pulaski 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 Pulaski County School District's basic financial statements, and have issued our report thereon dated December 19, 2024.

**Report on Internal Control over Financial Reporting**

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

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

**Report on Compliance and Other Matters**

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

## **Report on Compliance and Other Matters (Continued)**

We noted certain matters that were reported to management of the Pulaski County School District in a separate letter dated December 19, 2024.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### ***Patrick & Associates, LLC***

Patrick & Associates, LLC  
Winchester, Kentucky

December 19, 2024



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive  
Winchester, KY 40391

## **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  
Board of Education of the Pulaski County School District  
Somerset, KY

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

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

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

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract, Including Appendix II – Instruction for Submission of the Audit Report*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Pulaski 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*, Uniform Guidance, and the Independent Auditor's Contract, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Pulaski 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*, Uniform Guidance, and the Independent Auditor's Contract, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Pulaski County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pulaski County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Pulaski 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.

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.

***Patrick & Associates, LLC***

Patrick & Associates, LLC  
Winchester, Kentucky

December 19, 2024

Schedule of Findings and Questioned Costs

**SUMMARY OF AUDITOR’S RESULTS**

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed? If so, was any significant deficiencies material (GAGAS)?	None Reported
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficiencies in internal control disclosed that were not considered to be material weaknesses?	None Reported
What type or report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that are required to be reported as described in Uniform Guidance?	No
Major Programs	Education Stabilization Fund [Federal Assistance Number 84.425C, 84.425U 84.425W]
Dollar threshold of Type A and B programs?	\$750,000
Did the auditee qualify as low-risk?	Yes

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No findings at the financial statement level.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

No major federal award findings.

**SUMMARY SCHEDULE – PRIOR YEAR AUDIT FINDINGS**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no prior year findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no prior year findings.