

**CHRISTIAN COUNTY SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2022**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Christian County School District (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension and postemployment benefits schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other information, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Christian County School District's internal control over financial reporting and compliance.

Duguid, Gentry & Associates, PSC

***Duguid, Gentry & Associates, PSC***

Certified Public Accountants  
Hopkinsville, Kentucky

October 27, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

As management of the Christian County School District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District’s financial performance.

**FINANCIAL HIGHLIGHTS**

- The ending cash and investments balance for the District was \$49,842,628 as compared with the beginning cash and investments balance of \$38,286,355. The ending cash and investments balance consisted of amounts in the General Fund of \$7,059,047, Special Revenue Fund of \$1,266,930, Debt Service Fund of \$22,262,685, Construction Fund of \$7,595,951, Nonmajor Governmental Funds of \$8,727,062, Food Service Fund of \$2,288,682 and Day Care Fund of \$642,271.
- The General Fund had revenues of \$75,045,445, which primarily consisted of the state program (SEEK) funds, property, utilities, motor vehicle, in lieu of taxes and on-behalf payments for fringe benefits from the Commonwealth of Kentucky. General Fund revenues increased \$2,896,241 in comparison to prior year of \$72,149,204. Excluding interfund transfers, there were General Fund expenditures totaling \$75,055,899. This is an increase of \$4,759,111 compared to \$70,296,788 in General Fund expenditures for the prior year.
- The financial statements reflect a total of \$20,759,721 of revenues and aid from the state for payments made by the state on behalf of District employees for retirement contributions, health insurance, technology and debt service. A like amount of expenses is also recorded in the financial statements.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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

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

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

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

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

The District has two kinds of funds:

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

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets plus deferred outflows of resources were greater than liabilities plus deferred inflows of resources by \$41,789,927 at the close of the most recent fiscal year.

The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District’s net position, \$48,115,436, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District’s net position \$34,635,134, represents resources subject to external restrictions on how they may be used.

Extraordinary event

On December 10, 2021, a tornado went through western Kentucky and caused damage to many homes and businesses, including Pembroke Elementary School. Due to the losses within the building and to the building itself, the District received insurance proceeds to assist in replacing the items lost in the storm in the amount of \$924,178. The insurance proceeds are reflected in the Construction Fund as “other financing sources”.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

Following is a summary of the District’s government-wide net position as of June 30, 2022 and 2021:

**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current and other assets	\$ 50,927,239	\$ 39,149,376	\$ 3,825,134	\$ 2,380,906	\$ 54,752,373	\$ 41,530,282
Capital assets	<u>107,495,528</u>	<u>99,816,534</u>	<u>333,588</u>	<u>446,619</u>	<u>107,829,116</u>	<u>100,263,153</u>
Total assets	<u>158,422,767</u>	<u>138,965,910</u>	<u>4,158,722</u>	<u>2,827,525</u>	<u>162,581,489</u>	<u>141,793,435</u>
<b>Deferred outflows of resources</b>	<u>12,787,394</u>	<u>12,354,233</u>	<u>727,734</u>	<u>917,935</u>	<u>13,515,128</u>	<u>13,272,168</u>
<b>LIABILITIES</b>						
Current liabilities	4,699,479	2,395,357	35,732	590	4,735,211	2,395,947
Long-term debt	<u>107,087,675</u>	<u>118,917,615</u>	<u>3,068,726</u>	<u>4,196,580</u>	<u>110,156,401</u>	<u>123,114,195</u>
Total liabilities	<u>111,787,154</u>	<u>121,312,972</u>	<u>3,104,458</u>	<u>4,197,170</u>	<u>114,891,612</u>	<u>125,510,142</u>
<b>Deferred inflows of resources</b>	<u>17,966,285</u>	<u>10,416,931</u>	<u>1,448,793</u>	<u>606,017</u>	<u>19,415,078</u>	<u>11,022,948</u>
<b>NET POSITION</b>						
Investment in capital assets net of related debt	47,781,848	37,568,901	333,588	446,619	48,115,436	38,015,520
Restricted	34,635,134	24,764,274	-	-	34,635,134	24,764,274
Unrestricted	<u>(40,960,260)</u>	<u>(42,742,935)</u>	<u>(383)</u>	<u>(1,504,346)</u>	<u>(40,960,643)</u>	<u>(44,247,281)</u>
Total net position	<u>\$ 41,456,722</u>	<u>\$ 19,590,240</u>	<u>\$ 333,205</u>	<u>\$ (1,057,727)</u>	<u>\$ 41,789,927</u>	<u>\$ 18,532,513</u>

The net pension liability (NPL) and the other postemployment benefits (OPEB) are the largest liabilities reported by the District as of June 30, 2022. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District’s actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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

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

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

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

The increase for 2022 over 2021 in net position of governmental activities is largely due to increased state funding. The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District, and the payments are recorded as revenue from the State. The result is an increase in net position from the direct payment of principal and interest by the SFCC of \$1,322,285. Another increase is the expenditure of current revenues on capital assets, an expenditure that does not reduce net position on the government-wide statements. The decrease in business-type activities net position is due mainly to current year changes in pension liability charges.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

Following is a summary of changes in the District’s net position for the fiscal years ended June 30, 2022 and 2021:

**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ -	\$ -	\$ 389,948	\$ 258,328	\$ 389,948	\$ 258,328
Operating grants and contributions	41,237,870	36,185,786	7,032,664	4,761,743	48,270,534	40,947,529
Capital grants and contributions	5,184,365	5,249,789	-	-	5,184,365	5,249,789
General revenues						
Property taxes	17,947,104	16,133,522	-	-	17,947,104	16,133,522
Motor vehicle taxes	2,350,438	2,253,973	-	-	2,350,438	2,253,973
Utility taxes	4,616,115	4,485,840	-	-	4,616,115	4,485,840
Investment earnings	1,083,645	974,496	27,850	19,970	1,111,495	994,466
Gain (loss) on disposal of capital assets	(15,923)	(10,139)	(8,036)	1,200	(23,959)	(8,939)
State and formula grants	42,719,500	31,232,452	794,135	357,655	43,513,635	31,590,107
Donations/contributions	947,614	444,607	-	-	947,614	444,607
Extraordinary item	924,178	-	-	-	924,178	-
Miscellaneous	1,073,725	1,213,086	-	-	1,073,725	1,213,086
<b>Total revenues</b>	<b>118,068,631</b>	<b>98,163,412</b>	<b>8,236,561</b>	<b>5,398,896</b>	<b>126,305,192</b>	<b>103,562,308</b>
<b>EXPENSES</b>						
Instruction	58,083,295	58,382,523	-	-	58,083,295	58,382,523
Support services						
Student support	5,449,406	3,520,822	-	-	5,449,406	3,520,822
Instructional staff	2,484,993	2,644,018	-	-	2,484,993	2,644,018
District administrative	2,120,926	1,924,104	-	-	2,120,926	1,924,104
School administrative	5,426,539	5,212,571	-	-	5,426,539	5,212,571
Business	2,981,578	3,435,247	-	-	2,981,578	3,435,247
Plant operations and maintenance	10,409,950	9,688,465	-	-	10,409,950	9,688,465
Student transportation	5,916,173	4,574,684	-	-	5,916,173	4,574,684
Community service activities	879,540	891,562	-	-	879,540	891,562
Facilities and construction	-	847,096	-	-	-	847,096
Interest on long-term debt	2,541,081	2,888,491	-	-	2,541,081	2,888,491
Food service	-	-	6,275,975	5,295,389	6,275,975	5,295,389
Day care	321,226	271,463	157,096	77,425	478,322	348,888
<b>Total expenses</b>	<b>96,614,707</b>	<b>94,281,046</b>	<b>6,433,071</b>	<b>5,372,814</b>	<b>103,047,778</b>	<b>99,653,860</b>
Change in net position before transfers	21,453,924	3,882,366	1,803,490	26,082	23,257,414	3,908,448
Transfers in (out)	412,558	358,613	(412,558)	(358,613)	-	-
<b>Change in net position after transfers</b>	<b>\$ 21,866,482</b>	<b>\$ 4,240,979</b>	<b>\$ 1,390,932</b>	<b>\$ (332,531)</b>	<b>\$ 23,257,414</b>	<b>\$ 3,908,448</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

The net position of the District’s governmental activities increased by \$21,866,583. Net position reflects a positive balance of \$41,456,823. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible.

**FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUNDS**

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

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

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$46,479,902, an increase of \$9,449,846 in comparison to the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements for the fiscal years ended June 30, 2022 and 2021.

The main sources of the General Fund’s revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the District’s activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the state, and expenditures of those grants for specific programs in accordance with the grants’ guidelines. In addition to the Special Revenue (Grant) Fund, the District has the Special Revenue District Activity Fund and the Special Revenue Student Activity Fund, which includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements.

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

Following is a summary of fund balances as of June 30, 2022 and 2021:

<b>Governmental Funds</b>	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
General Fund	\$ 12,285,620	\$ 12,699,840	\$ (414,220)
Special Revenue Fund	296,423	232,381	64,042
Construction Fund	7,506,723	1,610,699	5,896,024
Debt Service Fund	22,262,685	20,382,164	1,880,521
Capital Outlay Fund	1,172,127	475,988	696,139
Building Fund	1,778,329	690,584	1,087,745
Student Activity Fund	723,228	572,881	150,347
District Activity Fund	454,767	365,519	89,248
<b>Total governmental funds</b>	<b>\$ 46,479,902</b>	<b>\$ 37,030,056</b>	<b>\$ 9,449,846</b>

**General Fund** – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9,758,364, while total fund balance was \$12,285,620. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 13.00% of the total General Fund expenditures, while total fund balance represents 16.37% of that same amount.

During the current fiscal year, the total fund balance of the General Fund decreased by (\$414,220). This decrease in General Fund balance was primarily due to maintaining revenues and expenses to accommodate for any loss of funding.

SEEK funding has been affected by the COVID-19 pandemic in various ways. SEEK allocations for the 2021-22 school year were based upon attendance data gathered in 2018-19 (the last regular school year of record prior to the pandemic). This has basically left SEEK funding in a stagnate state. The only change to SEEK funding is dictated by change in local property assessment and funding for full day kindergartens.



**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the District funds’ budgets are prepared to account for most transactions on a cash receipt/cash disbursement basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes are ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of 16.37%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The note accompanying the Budgetary Comparison Schedules in the Required Supplementary Information indicates the General Fund budget does not include \$18,724,333 of state payments on behalf of District employees for retirement and health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District’s total revenues for General Fund activities for the fiscal year ended June 30, 2022, excluding interfund transfers and beginning balances, were \$56,321,112 compared to the total budgeted revenues of \$52,633,581.
- The District’s total expenditures for General Fund activities for the fiscal year ended June 30, 2022, excluding interfund transfers, were \$56,331,566 compared to the total budgeted expenditures of \$64,374,060.

Significant Board action that impacts the finances includes limiting facility improvements and major purchases throughout the District.

Special Revenue Fund (Fund 2) is made up of state, local and federal grants. These grants include Title programs, IDEA B special education and preschool funding, Flex Focus state dollars and other grants. These funds have restricted use according to the guidelines for each. Expenditures include salaries and benefits, supplies, programming costs, travel and training costs.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The District has used those funds for debt service payments. The State contributes to those funds.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – At June 30, 2022, the District had \$107,829,116 invested in capital assets net of depreciation, historical cost totaled \$178,722,938 with accumulated depreciation totaling \$70,893,822. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Funds in the amount of \$12,958,490 were expended on acquisition and improvements during the year. Depreciation charged to expense during the year totaled \$5,351,155, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 4 to the financial statements.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

Following is a summary of capital assets, net of depreciation, as of June 30, 2022 and 2021:

**Net Capital Assets**

	Governmental Activities		Business-type Activities		District Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 8,891,105	\$ 2,891,105	\$ -	\$ -	\$ 8,891,105	\$ 2,891,105
Construction in progress	4,131,716	434,703	-	-	4,131,716	434,703
Land improvements	665,191	715,530	-	-	665,191	715,530
Buildings and improvements	86,501,969	88,459,880	-	-	86,501,969	88,459,880
Technology equipment	3,649,360	2,959,089	10,599	13,692	3,659,959	2,972,781
Vehicles	2,697,723	3,235,378	7,368	10,905	2,705,091	3,246,283
General equipment	958,464	1,120,849	315,621	422,020	1,274,085	1,542,869
<b>Total</b>	<b>\$ 107,495,528</b>	<b>\$ 99,816,534</b>	<b>\$ 333,588</b>	<b>\$ 446,617</b>	<b>\$ 107,829,116</b>	<b>\$ 100,263,151</b>

**Long-term Debt** – The District’s long-term general obligation bonds outstanding at June 30, 2022 were \$60,025,000. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay \$11,809,262 of the bonds leaving the District to pay \$48,215,738. The liability for compensated absences had a net increase of \$268,969 for the fiscal year. Other long-term obligations consist of a liability resulting from a claim for the District’s portion of workers’ compensation losses incurred by the Kentucky School Board Insurance Trust.

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

More detailed information about the District’s long-term liabilities may be found in Note 5 to the financial statements.

**OUTLOOK FOR THE FUTURE**

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District’s major source of revenue is state aid, primarily Kentucky SEEK funding. A factor in that SEEK formula is base funding driven by average daily attendance, and the District faces the challenges of very little growth in student enrollment each year. Also, as we look forward, we expect unfunded mandates and the national economy to have an impact on our District.

The District’s financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District’s Board. Though local property assessments continue to rise, the SEEK reduction that is based on the required 30-cent local levy on the assessments and our low property tax rate have not produced significant additional revenue for the District to substantially strengthen its financial position.

**CHRISTIAN COUNTY SCHOOL DISTRICT – HOPKINSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation, effectively managing our grant resources, controlling expenditures and seeking new sources of revenues.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District’s finances, comply with finance-related laws and regulations and demonstrate the District’s commitment to public accountability. Questions regarding this report should be directed to Jessica Darnell, Director of Finance at (270) 887-7000 or 200 Glass Avenue, Hopkinsville, KY 42240.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,653,438	\$ 2,930,953	\$ 27,584,391
Investments	22,258,237	-	22,258,237
Prepays	282,970	3,360	286,330
Inventory	-	122,481	122,481
Receivables			
Taxes	580,463	-	580,463
Other	11,814	-	11,814
Intergovernmental - state	5,784	-	5,784
Intergovernmental - indirect federal	2,888,696	768,340	3,657,036
Intergovernmental - direct federal	245,837	-	245,837
Capital assets			
Non-depreciable	13,022,821	-	13,022,821
Depreciable (net)	94,472,707	333,588	94,806,295
Total assets	158,422,767	4,158,722	162,581,489
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	8,097,616	724,093	8,821,709
Pension related	4,689,778	3,641	4,693,419
Total deferred outflows of resources	12,787,394	727,734	13,515,128
<b>LIABILITIES</b>			
Accounts payable	606,416	35,732	642,148
Accrued interest	497,979	-	497,979
Unearned revenue	3,595,084	-	3,595,084
Long-term obligations			
Portion due or payable within one year			
Bonds payable	3,191,047	-	3,191,047
Compensated absences	343,616	-	343,616
Portion due or payable after one year			
Bonds payable	56,522,633	-	56,522,633
Compensated absences	531,765	-	531,765
Net OPEB liability	18,897,911	1,387,492	20,285,403
Net pension liability	27,600,703	1,681,234	29,281,937
Total liabilities	111,787,154	3,104,458	114,891,612

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION, continued  
JUNE 30, 2022**

	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	12,942,575	735,678	13,678,253
Pension related	5,023,710	713,115	5,736,825
Total deferred inflows of resources	<u>17,966,285</u>	<u>1,448,793</u>	<u>19,415,078</u>
<b>NET POSITON</b>			
Net investment in capital assets	47,781,848	333,588	48,115,436
Restricted	34,635,134	-	34,635,134
Unrestricted	<u>(40,960,260)</u>	<u>(383)</u>	<u>(40,960,643)</u>
Total net position	<u>\$ 41,456,722</u>	<u>\$ 333,205</u>	<u>\$ 41,789,927</u>

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>FUNCTIONS/PROGRAMS</b>	Program Revenues				Net (Expenses) Revenues
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 58,083,295	\$ -	\$ 32,156,677	\$ -	\$ (25,926,618)
Support services					
Student	5,449,406	-	3,740,284	-	(1,709,122)
Instructional staff	2,484,993	-	683,941	-	(1,801,052)
District administration	2,120,926	-	126,329	-	(1,994,597)
School administration	5,426,539	-	1,548,687	-	(3,877,852)
Business	2,981,578	-	457,888	-	(2,523,690)
Plant operations and maintenance	10,409,950	-	559,071	-	(9,850,879)
Student transportation	5,916,173	-	899,816	-	(5,016,357)
Day care	321,226	-	-	-	(321,226)
Community service activities	879,540	-	1,065,177	-	185,637
Facilities acquisition and construction	-	-	-	2,103,170	2,103,170
Interest on long-term debt	2,541,081	-	-	3,081,195	540,114
<b>Total governmental activities</b>	<b>96,614,707</b>	<b>-</b>	<b>41,237,870</b>	<b>5,184,365</b>	<b>(50,192,472)</b>
<b>Business-type Activities</b>					
Food service	6,275,975	74,635	6,999,074	-	797,734
Day care	157,096	315,313	33,590	-	191,807
<b>Total business-type activities</b>	<b>6,433,071</b>	<b>389,948</b>	<b>7,032,664</b>	<b>-</b>	<b>989,541</b>
<b>Total activities</b>	<b>\$ 103,047,778</b>	<b>\$ 389,948</b>	<b>\$ 48,270,534</b>	<b>\$ 5,184,365</b>	<b>\$ (49,202,931)</b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Net Revenues (Expenses)</b>	<b>\$ (50,192,472)</b>	<b>\$ 989,541</b>	<b>\$ (49,202,931)</b>
<b>General Revenues</b>			
Taxes			
Property	17,947,104	-	17,947,104
Motor vehicle	2,350,438	-	2,350,438
Utilities	4,616,115	-	4,616,115
Investment earnings	1,083,645	27,850	1,111,495
State grants	42,719,500	794,135	43,513,635
Student activities	947,614	-	947,614
Gain (loss) on sale of fixed assets	(15,923)	(8,036)	(23,959)
Extraordinary item - insurance proceeds	924,178	-	924,178
Miscellaneous	1,073,725	-	1,073,725
	<b>71,646,396</b>	<b>813,949</b>	<b>72,460,345</b>
Total general revenues			
Transfers in (out)	412,558	(412,558)	-
Change in net position	21,866,482	1,390,932	23,257,414
<b>Net position, beginning of year</b>	<b>19,590,240</b>	<b>(1,057,727)</b>	<b>18,532,513</b>
<b>Net position, end of year</b>	<b>\$ 41,456,722</b>	<b>\$ 333,205</b>	<b>\$ 41,789,927</b>

See accompanying notes to financial statements



**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,059,047	\$ 1,266,930	\$ 4,448	\$ 7,595,951	\$ 8,727,062	\$ 24,653,438
Investments	-	-	22,258,237	-	-	22,258,237
Accounts receivable						
Taxes	580,463	-	-	-	-	580,463
Other	6,666	-	-	-	5,148	11,814
Interfund receivable	4,585,220	-	-	-	-	4,585,220
Intergovernmental - state	-	5,784	-	-	-	5,784
Intergovernmental - federal	-	2,888,696	-	-	-	2,888,696
Prepaid expenditures	282,970	-	-	-	-	282,970
<b>Total assets</b>	<b><u>\$ 12,514,366</u></b>	<b><u>\$ 4,161,410</u></b>	<b><u>\$ 22,262,685</u></b>	<b><u>\$ 7,595,951</u></b>	<b><u>\$ 8,732,210</u></b>	<b><u>\$ 55,266,622</u></b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET, continued  
JUNE 30, 2022**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 228,746	\$ 269,903	\$ -	\$ 89,228	\$ 18,539	\$ 606,416
Interfund payable	-	-	-	-	4,585,220	4,585,220
Unearned revenue	-	3,595,084	-	-	-	3,595,084
<b>Total liabilities</b>	<b>228,746</b>	<b>3,864,987</b>	<b>-</b>	<b>89,228</b>	<b>4,603,759</b>	<b>8,786,720</b>
Fund balances						
Nonspendable	282,970	-	-	-	-	282,970
Spendable						
Restricted	440,852	296,423	22,262,685	7,506,723	4,128,451	34,635,134
Committed	76,416	-	-	-	-	76,416
Assigned	1,727,018	-	-	-	-	1,727,018
Unassigned	9,758,364	-	-	-	-	9,758,364
<b>Total fund balances</b>	<b>12,285,620</b>	<b>296,423</b>	<b>22,262,685</b>	<b>7,506,723</b>	<b>4,128,451</b>	<b>46,479,902</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,514,366</b>	<b>\$ 4,161,410</b>	<b>\$ 22,262,685</b>	<b>\$ 7,595,951</b>	<b>\$ 8,732,210</b>	<b>\$ 55,266,622</b>

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Total fund balance per fund financial statements	\$ 46,479,902
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Amounts reported for governmental activities in the statement of net position are different because:

Interest receivable	245,837
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Capital assets used in governmental activities are not current financial resources and are not reported as assets in governmental funds. The cost of the assets is \$175,903,548 and the accumulated depreciation is \$68,407,906.	107,495,528
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Governmental funds record debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are reported on the statement of net position as deferred outflows of resources.	-
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Pension and other postemployment benefit (OPEB) related items:

Deferred outflows - OPEB	8,097,616
Deferred outflows - pension	4,689,778
Deferred inflows - OPEB	(12,942,575)
Deferred inflows - pension	(5,023,710)
Net OPEB liability	(18,897,911)
Net pension liability	(27,600,703)

Certain liabilities are not due and payable and are not reported in this fund financial statement, but they are presented in the statement of net position:

Bonds payable (net of discounts/premiums)	(59,713,680)
Interest payable	(497,980)
Compensated absences	<u>(875,380)</u>

Net position for governmental activities	<u><u>\$ 41,456,722</u></u>
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See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
<b>REVENUES</b>						
From local sources						
Taxes						
Property	\$ 15,647,335	\$ -	\$ -	\$ -	\$ 2,299,769	\$ 17,947,104
Motor vehicle	2,350,438	-	-	-	-	2,350,438
Utilities	4,616,115	-	-	-	-	4,616,115
Investment earnings	188,185	-	876,294	4,268	14,898	1,083,645
Other local revenues	799,539	-	-	-	274,186	1,073,725
Student activities	-	-	-	-	947,614	947,614
Intergovernmental - state	51,242,451	3,951,328	1,690,111	10,000,000	2,103,170	68,987,060
Intergovernmental - federal	201,382	18,562,209	1,391,084	-	-	20,154,675
<b>Total revenues</b>	<b>75,045,445</b>	<b>22,513,537</b>	<b>3,957,489</b>	<b>10,004,268</b>	<b>5,639,637</b>	<b>117,160,376</b>
<b>EXPENDITURES</b>						
Current						
Instruction	40,543,776	17,432,970	-	-	1,121,116	59,097,862
Support services						
Student	2,391,814	3,047,813	-	-	9,410	5,449,037
Instructional staff	2,152,864	290,719	-	-	37,340	2,480,923
District administration	1,659,994	-	-	-	-	1,659,994
School administration	5,364,563	20,988	-	-	-	5,385,551
Business	2,981,239	-	-	-	-	2,981,239
Plant operations and maintenance	8,833,857	170,673	-	-	-	9,004,530
Student transportation	5,110,872	451,268	-	-	10,841	5,572,981
Day care operations	-	321,226	-	-	-	321,226
Community service activities	-	879,540	-	-	-	879,540
Facilities and construction	6,016,920	-	-	5,125,340	-	11,142,260
Debt service	-	-	5,089,535	-	-	5,089,535
<b>Total expenditures</b>	<b>75,055,899</b>	<b>22,615,197</b>	<b>5,089,535</b>	<b>5,125,340</b>	<b>1,178,707</b>	<b>109,064,678</b>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, continued**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Excess (deficit) of revenues over (under) expenditures	(10,454)	(101,660)	(1,132,046)	4,878,928	4,460,930	8,095,698
<b>OTHER FINANCING SOURCES (USES)</b>						
Extraordinary item - insurance proceeds	-	-	-	924,178	-	924,178
Proceeds from sale of fixed assets	17,412	-	-	-	-	17,412
Transfers in	414,123	165,702	3,012,567	712,118	207,683	4,512,193
Transfers (out)	(835,301)	-	-	(619,200)	(2,645,134)	(4,099,635)
Total other financing sources (uses)	(403,766)	165,702	3,012,567	1,017,096	(2,437,451)	1,354,148
Net change in fund balances	(414,220)	64,042	1,880,521	5,896,024	2,023,479	9,449,846
<b>Fund balances, beginning of year</b>	12,699,840	232,381	20,382,164	1,610,699	2,104,972	37,030,056
<b>Fund balances, end of year</b>	<u>\$ 12,285,620</u>	<u>\$ 296,423</u>	<u>\$ 22,262,685</u>	<u>\$ 7,506,723</u>	<u>\$ 4,128,451</u>	<u>\$ 46,479,902</u>

See accompanying notes to financial statements

**CHRISTIAN COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ 9,449,846

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlay in the current period.

Capital outlay	12,958,490
Depreciation expense	(5,246,161)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to decrease net position. (33,335)

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

Bond repayments	2,580,000
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Some items reported in the statement of activities do not involve current financial resources and are not reported as expenditures in the governmental funds. These activities are:

Deferred other postemployment benefits	1,646,500
Deferred pension	546,290
Accumulated sick leave	(3,601)
Amortization of bond discounts/premiums	(55,442)
Accrued interest on bonds	23,895
	23,895

Change in net position of governmental activities \$ 21,866,482

See accompanying notes to financial statements

**PROPRIETARY FUNDS FINANCIAL STATEMENTS**



**CHRISTIAN COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022**

	<u>School Food Service</u>	<u>Day Care</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,288,682	\$ 642,271	\$ 2,930,953
Prepaid expenses	-	3,360	3,360
Accounts receivable	768,340	-	768,340
Inventory	122,481	-	122,481
Total current assets	<u>3,179,503</u>	<u>645,631</u>	<u>3,825,134</u>
Noncurrent assets			
Capital assets	2,819,278	-	2,819,278
Less: accumulated depreciation	<u>(2,485,690)</u>	<u>-</u>	<u>(2,485,690)</u>
Total noncurrent assets	<u>333,588</u>	<u>-</u>	<u>333,588</u>
Total assets	<u>3,513,091</u>	<u>645,631</u>	<u>4,158,722</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	663,320	60,773	724,093
Pension related	<u>(37,155)</u>	<u>40,796</u>	<u>3,641</u>
Total deferred outflows of resources	<u>626,165</u>	<u>101,569</u>	<u>727,734</u>

Continued

**CHRISTIAN COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION, continued**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	School Food Service	Day Care	Total
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	5,713	30,019	35,732
Total current liabilities	5,713	30,019	35,732
Long-term liabilities			
Net OPEB liability	1,216,232	171,260	1,387,492
Net pension liability	1,364,724	316,510	1,681,234
Total long-term liabilities	2,580,956	487,770	3,068,726
Total liabilities	2,586,669	517,789	3,104,458
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	664,232	71,446	735,678
Pension related	674,764	38,351	713,115
Total deferred inflows of resources	1,338,996	109,797	1,448,793
<b>NET POSITION</b>			
Net investment in capital assets	333,588	-	333,588
Unrestricted	(119,997)	119,614	(383)
Total net position	<u>\$ 213,591</u>	<u>\$ 119,614</u>	<u>\$ 333,205</u>

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	School Food Service	Day Care	Total
<b>OPERATING REVENUES</b>			
Lunchroom sales	\$ 74,635	\$ -	\$ 74,635
Student fees	-	315,313	315,313
Total operating revenues	<u>74,635</u>	<u>315,313</u>	<u>389,948</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	2,813,223	34,551	2,847,774
Contract services	123,248	105,497	228,745
Materials and supplies	3,234,505	16,560	3,251,065
Depreciation	104,994	-	104,994
Other	5	488	493
Total operating expenses	<u>6,275,975</u>	<u>157,096</u>	<u>6,433,071</u>
Operating income (loss)	<u>(6,201,340)</u>	<u>158,217</u>	<u>(6,043,123)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Federal grants	6,687,387	-	6,687,387
Donated commodities	617,587	-	617,587
State grants	50,025	126,523	176,548
State on-behalf payments	311,687	33,590	345,277
Gain (loss) on disposal of fixed asset	(8,036)	-	(8,036)
Interest income	27,850	-	27,850
Total non-operating revenues (expenses)	<u>7,686,500</u>	<u>160,113</u>	<u>7,846,613</u>
Transfers in	1,565	-	1,565
Transfers (out)	(414,123)	-	(414,123)
Change in net position	1,072,602	318,330	1,390,932
<b>Net position, beginning of year</b>	<u>(859,011)</u>	<u>(198,716)</u>	<u>(1,057,727)</u>
<b>Net position, end of year</b>	<u>\$ 213,591</u>	<u>\$ 119,614</u>	<u>\$ 333,205</u>

See accompanying notes to financial statements

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>School Food Service</u>	<u>Day Care</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from			
Lunchroom sales	\$ (545,024)	\$ -	\$ (545,024)
Other activities	-	315,313	315,313
Cash paid to/for			
Employees	(2,596,369)	(1,004)	(2,597,373)
Materials and supplies	(2,629,313)	13,459	(2,615,854)
Other activities	<u>(123,253)</u>	<u>(105,985)</u>	<u>(229,238)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(5,893,959)</u>	<u>221,783</u>	<u>(5,672,176)</u>
<b>Cash flows from noncapital financing activities</b>			
Federal grants	6,687,387	-	6,687,387
State grants	50,025	126,523	176,548
Transfers from other funds	1,565	-	1,565
Transfers to other funds	<u>(414,123)</u>	<u>-</u>	<u>(414,123)</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<u>6,324,854</u>	<u>126,523</u>	<u>6,451,377</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of fixed assets	-	-	-
Proceeds from sale of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Receipt of interest income	<u>27,850</u>	<u>-</u>	<u>27,850</u>
<b>Net cash provided (used) by investing activities</b>	<u>27,850</u>	<u>-</u>	<u>27,850</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	458,745	348,306	807,051
<b>Cash and cash equivalents, beginning of year</b>	<u>1,829,937</u>	<u>293,965</u>	<u>2,123,902</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,288,682</u>	<u>\$ 642,271</u>	<u>\$ 2,930,953</u>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS, continued  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>School Food Service</u>	<u>Day Care</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided from operating activities</b>			
Operating income (loss)	\$ (6,201,340)	\$ 158,217	\$ (6,043,123)
<b>Adjustments to reconcile net operating revenues to net cash from operating activities</b>			
Depreciation	104,994	-	104,994
Donated commodities	617,587	-	617,587
On-behalf payments	311,687	33,590	345,277
Changes in assets and liabilities			
Accounts receivable	(619,659)	-	(619,659)
Inventory	(17,517)	-	(17,517)
OPEB	(9,080)	(4)	(9,084)
Pension	(85,753)	(39)	(85,792)
Accounts payable	5,122	30,019	35,141
<b>Net cash provided (used) by operating activities</b>	<u>\$ (5,893,959)</u>	<u>\$ 221,783</u>	<u>\$ (5,672,176)</u>
<b>Schedule of non-cash transactions</b>			
Donated commodities from federal government	\$ 617,587	\$ -	\$ 617,587

See accompanying notes to financial statements

**NOTES TO FINANCIAL STATEMENTS**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Christian County Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Christian County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not a component unit of any other governmental “reporting entity”. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies, which may influence operations and primary accountability for fiscal matters.

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

Reporting Entity

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

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

Based on the foregoing criteria, the financial statements of the Christian County School District Finance Corporation are included in the accompanying financial statements. In 1991, the Board authorized the establishment of the Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Christian County Board of Education also comprise the Corporation’s Board of Directors.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Basis of Presentation

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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



**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Fund Accounting

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

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

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

The *Special Revenue (Grant) Fund* includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

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

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

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

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

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Proprietary Fund Types

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

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

The District has the following enterprise funds:

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

The *Day Care Fund* is used to account for day care operations of the District.

Measurement Focus and Basis of Accounting

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

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

Revenues – Exchange and Nonexchange Transactions

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

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

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

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

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

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

**Cash and Cash Equivalents**

The District considers demand deposits, money market funds and time deposits that are nonnegotiable to be cash and cash equivalents for governmental, proprietary and fiduciary funds. This definition is also used for the proprietary funds' statements of cash flows.

**Investments**

Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Fixed income securities, real estate investment trusts (REITs), derivatives and common and preferred stocks are valued based on published market prices and quotations from national security exchanges and securities pricing services. International stocks are then adjusted to reflect the current exchange rate of the underlying currency. Investments, for which no national exchanges or pricing services exist, such as private equity assets, are valued at fair value by the investment partnership based on the valuation methodology outlined in the partnership agreement. Real estate may be valued by the manager or independent appraisers. Commingled assets that are not traded on a national exchange are valued by the commingled manager. The District performs due diligence reviews of the investment pricing, process and infrastructure of private equity, commingled and real estate investments to assure that the asset values provided by the managers are available.

Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the District's investment operations, as well as the internal administrative expenses associated with the District's investment program.

**Property Taxes Receivable**

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

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

The property tax rates for the year ended June 30, 2022, to finance the General Fund operations, were \$.423 per \$100 valuation for real property, \$.428 per \$100 valuation for business tangible personal property and \$.566 per \$100 valuation for motor vehicles.

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

**Inventories**

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Prepaid Expenditures

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

Restricted Assets

Certain assets of the General Fund are classified as restricted assets because their use is restricted by KRS 157.420(3).

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000 with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	25-50 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	5-15 years
Food service equipment	5-12 years

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Unearned Revenue

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

Debt Premiums and Discounts

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

Compensated Absences

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused sick leave up to a specified amount depending on their date of hire. Sick leave is payable to employees upon termination or retirement at 30.00% of the current rate of pay on the date of termination or retirement. The District uses the termination method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Long-term Liabilities

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

Pensions and Other Postemployment Benefits (OPEB)

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period, and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 11, the net OPEB liability described in Note 12 and the deferred amount on refunding of debt.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period, and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability described in Note 11 and the net OPEB liability described in Note 12.

Cash Flows

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

Fund Balances

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

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

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

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

**Net Position**

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

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

**Net Position Flow Assumption**

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

**Interfund Activity**

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

**Estimates**

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



**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Subsequent Events

Subsequent events have been evaluated through October 27, 2022, which is the date the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy is to have all deposits secured by pledged securities. The District’s cash deposits are covered by Federal Depository Insurance Corporation up to \$250,000 per financial institution, with the remainder covered by collateral agreements and collateral held by the pledging banks’ trust departments in the District’s name. At June 30, 2022, the District’s bank balance of \$29,033,752 was fully collateralized.

At June 30, 2022, the carrying amount of the District’s cash and cash equivalents was \$27,584,391.

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

Governmental activities	\$ 24,653,438
Business-type activities	<u>2,930,953</u>
	<u><u>\$ 27,584,391</u></u>

**NOTE 3 – INVESTMENTS**

As of June 30, 2022, the District had an investment of \$22,258,237 in Natixis Funding Corporation Tri-party Repurchase Agreement. Natixis is a guaranteed investment contract used as a sinking reserve fund for the Series 2010A School Building Revenue Bonds.

Investment	Maturity	Rating	Fair Value
Natixis Funding Corporation	March 8, 2027	A2/P1	<u>\$ 22,258,237</u>
			<u><u>\$ 22,258,237</u></u>

Fair Value Measurement

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 – INVESTMENTS, continued**

At June 30, 2022, the District had the following recurring fair value measurements:

<u>Investments by fair value level</u>	<u>Fair Value Measurements Using</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Treasury Inflation Protected Securities			
Natixis Funding Corporation	\$ 22,258,237	\$ -	\$ -
Total investments at measured fair value	<u>\$ 22,258,237</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District's investing activities are under the custody of the District Finance Director. Investing policies comply with state statutes. Kentucky Revised Statute 66.480 defines the following items as permissible investments:

- Obligations of the United States and of its agencies and instrumentalities;
- Obligations of any corporation of the United States Government;
- Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency;
- Commercial paper rated in the highest category by a nationally recognized rating agency;
- Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- Banker's acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency. 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 Corporation or similar entity of which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KR 41.240(4);
- Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and
- Shares of mutual funds, each of which shall have the following characteristics:
  1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
  2. The management company of the investment company shall have been in operation for at least five (5) years; and
  3. All of the securities in the mutual fund shall be eligible investments pursuant to this section.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 – INVESTMENTS, continued**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. U. S. Government securities and investments in mutual funds are excluded from this risk. The District has all of its investment in a Small Business Administration investment. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment is held by the counterparty in the District's name. The investment is fully collateralized.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
Capital assets not being depreciated				
Land	\$ 2,891,105	\$ 6,000,000	\$ -	\$ 8,891,105
Construction in progress	434,703	3,697,013	-	4,131,716
Total non-depreciable historical cost	<u>3,325,808</u>	<u>9,697,013</u>	<u>-</u>	<u>13,022,821</u>
Capital assets being depreciated				
Land improvements	1,312,247	-	-	1,312,247
Buildings and improvements	136,166,310	1,424,577	-	137,590,887
Technology equipment	8,566,772	1,712,763	1,536,693	8,742,842
Vehicles	11,788,150	95,294	520,860	11,362,584
General equipment	3,902,395	28,843	58,959	3,872,279
Total depreciable historical cost	<u>161,735,874</u>	<u>3,261,477</u>	<u>2,116,512</u>	<u>162,880,839</u>
Less: accumulated depreciation				
Land improvements	596,717	50,339	-	647,056
Buildings and improvements	47,706,430	3,382,488	-	51,088,918
Technology equipment	5,607,683	991,098	1,505,299	5,093,482
Vehicles	8,552,772	632,949	520,860	8,664,861
General equipment	2,781,546	189,287	57,018	2,913,815
Total accumulated depreciation	<u>65,245,148</u>	<u>5,246,161</u>	<u>2,083,177</u>	<u>68,408,132</u>
Total depreciable historical cost - net	<u>96,490,726</u>	<u>(1,984,684)</u>	<u>33,335</u>	<u>94,472,707</u>
Governmental activities capital assets - net	<u>\$ 99,816,534</u>	<u>\$ 7,712,329</u>	<u>\$ 33,335</u>	<u>\$ 107,495,528</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 – CAPITAL ASSETS, continued**

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	
Instruction	\$ 2,899,159
Support services	
Student support	369
Instructional staff	469
District administration	460,932
School administration	40,988
Business support	339
Plant operation and maintenance	1,405,420
Transportation	438,485
	<u>\$ 5,246,161</u>

Construction commitments at June 30, 2022 were as follows:

<u>Project</u>	
South Christian Gym Wall Panels	\$ 86,814
South Christian Roof	3,927,855
Emergency Pembroke Roof	117,047
	<u>\$ 4,131,716</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 – CAPITAL ASSETS, continued**

<u>Business-type Activities</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
Capital assets being depreciated				
Technology equipment	\$ 15,949	\$ -	\$ -	\$ 15,949
Vehicles	17,684	-	-	17,684
Food service equipment	<u>2,924,240</u>	<u>-</u>	<u>138,595</u>	<u>2,785,645</u>
Total depreciable historical cost	<u>2,957,873</u>	<u>-</u>	<u>138,595</u>	<u>2,819,278</u>
Less: accumulated depreciation				
Technology equipment	2,257	3,093	-	5,350
Vehicles	6,779	3,537	-	10,316
Food service equipment	<u>2,502,220</u>	<u>98,364</u>	<u>130,560</u>	<u>2,470,024</u>
Total accumulated depreciation	<u>2,511,256</u>	<u>104,994</u>	<u>130,560</u>	<u>2,485,690</u>
Business-type activities capital assets - net	<u>\$ 446,617</u>	<u>\$ (104,994)</u>	<u>\$ 8,035</u>	<u>\$ 333,588</u>

**NOTE 5 – LONG-TERM OBLIGATIONS**

The various issues of school building revenue bonds are as follows:

<u>Issue Date</u>	<u>Original Proceeds</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>
2010A	\$ 27,445,000	2.68%	5/2/2022
2012	9,795,000	1.15% - 2.00%	8/1/2025
2014	12,530,000	2.00% - 3.50%	5/1/2034
2014E	15,240,000	2.00% - 3.75%	9/1/2034
2015	500,000	1.80% - 4.00%	5/1/2035
2018	1,535,000	3.50%	12/1/2038
2021	560,000	1.00% - 2.00%	4/1/2041

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 – LONG-TERM OBLIGATIONS, continued**

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

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

The bonds may be called prior to maturity, and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2022 for debt service (principal and interest) are as follows:

Fiscal Year Ending	Christian County School District		School Facilities Construction Commission		US Government Participation
	Principal	Interest	Principal	Interest	Interest
2023	\$ 2,380,205	\$ 2,201,872	\$ 764,795	\$ 222,793	\$ 1,475,169
2024	2,463,539	2,140,964	786,461	203,526	1,475,169
2025	2,551,450	2,077,727	808,550	183,625	1,475,169
2026	2,640,597	2,012,131	734,403	164,121	1,475,169
2027	24,470,729	1,967,568	4,834,271	147,997	1,475,169
2028-2032	8,321,836	1,726,510	2,323,164	518,636	-
2033-2037	5,257,382	302,082	1,372,618	125,131	-
2038-2041	130,000	6,500	185,000	6,037	-
	<u>\$ 48,215,738</u>	<u>\$ 12,435,354</u>	<u>\$ 11,809,262</u>	<u>\$ 1,571,866</u>	<u>\$ 7,375,845</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 – LONG-TERM OBLIGATIONS, continued**

A summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
General obligation debt	\$ 62,605,000	\$ -	\$ 2,580,000	\$ 60,025,000	\$ 3,145,000
Premiums (discounts)	(357,367)	-	(46,047)	(311,320)	46,047
Total bonds payable	<u>62,247,633</u>	<u>-</u>	<u>2,533,953</u>	<u>59,713,680</u>	<u>3,191,047</u>
Other liabilities					
Compensated absences	871,780	324,136	320,535	875,381	343,616
Net OPEB liability	23,014,284	-	4,116,373	18,897,911	-
Net pension liability	32,783,918	-	5,183,215	27,600,703	-
Total other liabilities	<u>56,669,982</u>	<u>324,136</u>	<u>9,620,123</u>	<u>47,373,995</u>	<u>343,616</u>
Total long-term liabilities	<u>\$ 118,917,615</u>	<u>\$ 324,136</u>	<u>\$ 12,154,076</u>	<u>\$ 107,087,675</u>	<u>\$ 3,534,663</u>
<b>Business-type activities</b>					
Other liabilities					
Net OPEB liability	\$ 1,701,333	\$ -	\$ 313,841	\$ 1,387,492	\$ -
Net pension liability	2,495,247	-	814,013	1,681,234	-
Total other liabilities	<u>\$ 4,196,580</u>	<u>\$ -</u>	<u>\$ 1,127,854</u>	<u>\$ 3,068,726</u>	<u>\$ -</u>

**NOTE 6 – COMPENSATED ABSENCES**

Upon retirement from the school system, employees will receive from the District an amount equal to 30.00% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year's economic financial resources. These amounts are recorded in the account "accrued sick leave payable" in the General Fund. Management has estimated that the amount for governmental activities will be approximately \$875,381, with \$343,616 considered the short-term portion and \$531,765 considered the long-term portion. There is no accrued sick leave liability for the business-type activities.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 7 – FUND BALANCE REPORTING**

The following is a summary of designations of Fund Balance at June 30, 2022:

	General	Special Revenue	Debt Service	Construction	Nonmajor Governmental	Total
Nonspendable						
Prepays	\$ 282,970	\$ -	\$ -	\$ -	\$ -	\$ 282,970
Spendable						
Restricted						
Sick leave payable	440,852	-	-	-	-	440,852
Capital projects	-	-	-	7,506,723	2,950,456	10,457,179
Debt service	-	-	22,262,685	-	-	22,262,685
Technology	-	296,423	-	-	-	296,423
District activity funds	-	-	-	-	454,767	454,767
Student activity funds	-	-	-	-	723,228	723,228
Assigned						
Purchase obligations	1,727,018	-	-	-	-	1,727,018
Committed	76,416	-	-	-	-	76,416
Unassigned	9,758,364	-	-	-	-	9,758,364
	<u>\$ 12,285,620</u>	<u>\$ 296,423</u>	<u>\$ 22,262,685</u>	<u>\$ 7,506,723</u>	<u>\$ 4,128,451</u>	<u>\$ 46,479,902</u>

**NOTE 8 – TRANSFER OF FUNDS**

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
General Fund	District Activity	Student Fees	\$ 70,232
General Fund	Student Activity	Student Fees	116,489
Construction	Construction	Construction Projects	619,200
General Fund	Special Revenue	Technology	165,702
General Fund	Debt Service	Debt Service Payments	481,313
Student Activity	District Activity	Student Activities	19,890
Capital Outlay	Construction	Construction Projects	92,918
Building Fund	Debt Service	Debt Service Payments	2,531,254
School Food Service	General Fund	Indirect Cost	414,123
General Fund	School Food Service	Staff Activities	1,565
Student Activity	Student Activity	Student Activities	1,072
			<u>\$ 4,513,758</u>



**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 – DEFICIT OPERATING FUND BALANCES/EXCESS APPROPRIATIONS**

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

The General Fund experienced a net decrease in fund balance by (\$414,220).

Expenditures exceed appropriations in the Debt Service Fund by \$718,955. These over expenditures were funded by greater than anticipated revenues in that fund.

**NOTE 10 – ON-BEHALF PAYMENTS**

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2022:

Health insurance	\$ 8,352,475
Life insurance	13,745
Administrative fee	109,796
Health reimbursement account - HRS/dental/vision	<u>570,325</u>
	9,046,341
Federal reimbursements of health benefits	<u>(1,432,680)</u>
	7,613,661
KTRS OPEB and pension	11,278,974
Technology	176,975
SFCC debt service	<u>1,690,111</u>
	<u><u>\$ 20,759,721</u></u>

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

Governmental activities	
General Fund	\$ 18,724,333
Debt Service Fund	1,690,111
Business-type activities	
Food Service Fund	311,687
Day Care Fund	<u>33,590</u>
	<u><u>\$ 20,759,721</u></u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS**

The District participates in the County Employees Retirement System (CERS), a blended component unit of the Commonwealth of Kentucky, and the Teachers’ Retirement System of the State of Kentucky (KTRS), a blended unit of the Commonwealth of Kentucky. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by KTRS and CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

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

*Plan description* – The District and covered employees contribute to the Non-Hazardous County Employees Retirement System (CERS), a cost-sharing, multiple-employer defined benefit plan administered by the Board of Trustees of the Kentucky Public Pensions Authority (KPPA). Kentucky Revised Statute Section 61.645 as amended by House Bill 484 and House Bill 9 of the 2020 and 2021 regular sessions, respectively, of the Kentucky General Assembly assigns the authority to establish and amend benefit provisions to the Board of Trustees of the KPPA. These amendments transferred governance of the CERS to a separate nine-member board of trustees. The CERS financial statements and other supplementary information are contained in the publicly available annual financial report of the KPPA. Copies of the report are sent to each participating employer as well as distributed to legislative personnel, state libraries and other interested parties. KPPA issues a publicly available financial report that can be obtained on their website.

*Benefits provided* – CERS provides retirement, death and disability benefits to Plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Employees are vested in the plan after five years’ service. Cost of living (COLA) adjustments are provided at the discretion of the State legislature. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement  Required contributions	Before September 1, 2008 27 years’ service or 65 years old At least 5 years’ service and 55 years old At least 25 years’ service and any age 5.00%
Tier 2	Participation date Unreduced retirement  Reduced retirement Required contributions	September 1, 2008 – December 31, 2013 At least 5 years’ service and 65 years old or age 57+ and sum of service years plus age equal 87 At least 10 years’ service and 60 years old 5.00% + 1.00% for insurance

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years' service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available
	Required contributions	5.00% + 1.00% for insurance

*Contributions* – Per Kentucky Revised Statute 61.565, normal contribution and past service contribution rates shall be determined by the Board of Trustees of the Kentucky Public Pensions Authority on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. For the year ended June 30, 2022, plan members were required to contribute 5% of their annual creditable compensation. Plan members hired subsequent to September 1, 2008 were required to contribute 6% of their annual creditable compensation. The District is required to contribute at an actuarial determined rate. For the fiscal year ended June 30, 2022, participating employers contributed 21.17% of each employee's creditable compensation.

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

At June 30, 2022, The District reported a liability of \$29,281,937 for its proportionate share of the net pension liability. The net pension liability of the plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2022, the District's proportion was 0.459268%.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

For the measurement period ended June 30, 2021, the District recognized pension expense of \$2,146,194. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 336,246	\$ 284,201
Changes of assumptions	392,999	-
Net difference between projected and actual earnings on pension plan investments	1,135,944	5,038,736
Changes in proportion and difference between District contributions and proportionate share of contributions	31,258	413,888
District contributions subsequent to the measurement date	<u>2,796,972</u>	<u>-</u>
Total	<u>\$ 4,693,419</u>	<u>\$ 5,736,825</u>

For the year ended June 30, 2022, \$2,796,972 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30</u>	
2022	\$ (790,068)
2023	(951,470)
2024	(876,686)
2025	(1,222,154)
2026	-
Thereafter	<u>-</u>
Total	<u>\$ (3,840,378)</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

*Actuarial assumptions* – The total pension liability, net pension liability and sensitivity information as of June 30, 2021 were based on an actuarial valuation date of June 30, 2021. The total pension liability was rolled forward from the valuation date (June 30, 2020) to the plan’s fiscal year ending June 30, 2021, using generally accepted actuarial principles.

There have been no actuarial assumption or method changes since June 30, 2020. Senate Bill 169 passed during the 2021 legislative session increased the disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021, is determined using these updated benefit provisions.

Inflation	2.30%
Projected salary increases	3.30% to 10.30%, varies by service
Investment rate of return	6.25%, net of investment expense and inflation
Payroll growth rate	2.00%

The mortality table used for active members is the PUB-2010 General Mortality Table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members, the mortality table used is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is the PUB-2010 Disabled Mortality Table with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

*Long-term rate of return* – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

The target asset 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 Real Rate of Return</u>
US equity	21.75%	5.70%
International equity	21.75%	6.35%
Core bonds	10.00%	0.00%
High yield	15.00%	2.80%
Opportunistic	0.00%	N/A
Real estate	10.00%	5.40%
Real return	10.00%	4.55%
Private equity	10.00%	9.70%
Cash	1.50%	-0.60%
<b>Total</b>	<b>100.00%</b>	

*Discount rate* – The discount rates used to measure the total pension liability for the measurement period with year ended June 30, 2021 was 6.25%. The projection of cash flows used to determine the discount rate of 6.25% for CERS Non-hazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as amended by House Bill 362 (passed in 2018) over the remaining 30 years (closed) amortization period of the unfunded actuarial accrued liability.

The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report (ACFR).

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 37,555,474	\$ 29,281,937	\$ 22,435,780

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

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

*Payable to the pension plan* – At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**General Information about the Teachers’ Retirement System of the State of Kentucky (KTRS) Pension Plan**

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

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

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

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

*Contributions* – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university members are required to contribute 12.855% of their salaries to the System effective July 1, 2015.

For members employed by local school districts, the Commonwealth of Kentucky, as a non-employer contributing entity, contributes 13.105% of salaries for those who joined before July 1, 2008 and 14.105% for those who joined thereafter. For local school district and regional cooperative members whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

At June 30, 2022, the District did not report a liability for its proportionate share of the net pension liability, because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District:

Commonwealth's proportionate share of KTRS net pension liability associated with the District	<u>\$ 131,387,256</u>
	<u><u>\$ 131,387,256</u></u>

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2020 to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary.

For the measurement period ended June 30, 2021, the District recognized pension expense of \$20,467,971 and revenue of \$20,467,971 for support provided by the State in the government-wide statements.



**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

*Actuarial assumptions* – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of pension plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%
Inflation rate	2.50%
Municipal bond index rate	2.13%
Single equivalent interest rate	7.10%

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the TRS Board on September 20, 2021. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equity	40.00%	8.90%
International equity	22.00%	10.70%
Fixed income	15.00%	-0.10%
Additional categories	7.00%	3.90%
Real estate	7.00%	4.00%
Private equity	7.00%	6.90%
Cash	2.00%	-0.30%
Total	<u>100.00%</u>	

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 – PENSION PLANS, continued**

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

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

**Deferred Compensation**

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

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

*Contributions* – The Commonwealth is required to contribute at an actuarially determined rate for KERS. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3) and CERS 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS. For the year ended June 30, 2022, required contribution was 5.78% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2022 was \$763,651.

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

At June 30, 2022, the District reported a liability of \$8,791,403 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2021, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.459213%.

For the measurement period ended June 30, 2021, the District recognized OPEB expense of \$952,104.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

At June 30, 2022, 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	\$ 1,382,451	\$ 2,624,821
Changes of assumptions	2,330,768	8,175
Net difference between projected and actual earnings on OPEB plan investments	442,937	1,818,230
Changes in proportion and difference between District contributions and proportionate share of contributions	-	544,027
District contributions subsequent to the measurement date	763,651	-
<b>Total</b>	<b>\$ 4,919,807</b>	<b>\$ 4,995,253</b>

For the year ended June 30, 2022, \$763,651 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2022	\$ 36,678
2023	(171,900)
2024	(159,101)
2025	(544,774)
2026	-
Thereafter	-
Total	<b>\$ (839,097)</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

*Actuarial assumptions*

The total OPEB liability, net OPEB liability and sensitivity information for the actuarial valuation as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total OPEB liability was rolled forward from the valuation date (June 30, 2020) to the plan’s fiscal year ended June 30, 2021, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018 and the Board adopted updated assumptions for first use in the June 30, 2020 actuarial valuation. The assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. There were no other material assumption changes.

Payroll growth rate	2.00%
Inflation	2.30%
Salary increase	3.30% to 10.30%, varies by service
Investment rate of return	6.25%
Healthcare cost trend rates (pre-65)	Initial trend starting at 6.25% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Healthcare cost trend rates (post-65)	Initial trend starting at 5.50% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years

The mortality table used for active members is the PUB-2010 General Mortality Table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members, the mortality table used is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is the PUB-2010 Disabled Mortality Table with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

*Long-term expected rate of return* – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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 Real Rate of Return</u>
US equity	21.75%	5.70%
International equity	21.75%	6.35%
Core bonds	10.00%	0.00%
High yield	15.00%	2.80%
Opportunistic	0.00%	n/a
Real estate	10.00%	5.40%
Real return	10.00%	4.55%
Private equity	10.00%	9.70%
Cash	1.50%	-0.60%
Total	<u>100.00%</u>	

*Discount rate* – Single discount rates used to measure the total OPEB liability for the year ended June 30, 2021 was 5.20% for CERS Non-hazardous plans. 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 to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans’ actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans’ trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 12,070,530	\$ 8,791,403	\$ 6,100,336

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 6,328,765	\$ 8,791,403	\$ 11,763,845

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

*Payable to the OPEB plan* – At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contributions to the CERS OPEB plan required for the year ended June 30, 2022.

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

**Medical Insurance Plan**

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

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

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

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

At June 30, 2022, the District reported a liability of \$11,494,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.535669%.



**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

District's proportionate share of net OPEB liability	\$ 11,494,000
State's proportionate share of net OPEB liability associated with the District	<u>9,334,000</u>
Total	<u><u>\$ 20,828,000</u></u>

For the measurement period ended June 30, 2021, the District recognized OPEB expense of (\$717,000) and revenue of \$195,000 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,835,000
Changes of assumptions	3,006,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,226,000
Changes in proportion and difference between District contributions and proportionated share of contributions	24,000	622,000
District contributions subsequent to the measurement date	<u>871,902</u>	<u>-</u>
Total	<u><u>\$ 3,901,902</u></u>	<u><u>\$ 8,683,000</u></u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Of the total amount reported as deferred outflows of resources related to OPEB, \$871,902 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2022	\$ (1,436,000)
2023	(1,442,000)
2024	(1,328,000)
2025	(1,181,000)
2026	(269,000)
Thereafter	<u>3,000</u>
Total	<u>\$ (5,653,000)</u>

*Actuarial assumptions* – The total KTRS OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Healthcare cost trend rates	
Under 65	7.00% for FYE 2021 decreasing to an ultimate rate of 4.50% by FY 2031
Ages 65 and older	5.00% for FYE 2021 decreasing to an ultimate rate of 4.50% by FY 2024
Medicare Part B premiums	4.40% for FYE 2021 with an ultimate rate of 4.50% by 2034
Municipal bond index rate	2.13%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the TRS board on September 20, 2021. The remaining actuarial assumptions used in the June 30, 2020 valuation of the health trust were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation. The healthcare cost trend assumption was updated for the June 30, 2020 valuation and was shown as an assumption change in the TOL roll forward. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58.00%	5.10%
Fixed income	9.00%	-0.10%
Real estate	10.00%	5.40%
Private equity	8.50%	6.90%
Other additional categories	13.50%	2.50%
Cash (LIBOR)	1.00%	-0.30%
 Total	 <u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan’s fiduciary net position was not projected to be depleted.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 14,715,000	\$ 11,494,000	\$ 8,831,000

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 8,350,000	\$ 11,494,000	\$ 15,406,000

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

**Life Insurance Plan**

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

*Benefits provided* – TRS provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. TRS provides a life insurance benefit of \$2,000 payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member’s estate or to a party designated by the member.

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

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

At June 30, 2022, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amounts recognized by the District as its proportionate share of the OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>124,000</u>
Total	<u><u>\$ 124,000</u></u>

For the year ended June 30, 2022, the District recognized OPEB expense of \$0 and revenue of \$0 for support provided by the State in the government-wide financial statements.

*Actuarial assumptions* – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Municipal bond index rate	2.13%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
US equity	40.00%	4.40%
International equity	23.00%	5.60%
Fixed income	18.00%	-0.10%
Real estate	6.00%	4.00%
Private equity	5.00%	6.90%
Other additional categories	6.00%	2.10%
Cash (LIBOR)	2.00%	-0.30%
<b>Total</b>	<b>100.00%</b>	

*Discount rate* – The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF’s fiduciary net position was not projected to be depleted.

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 13 – CONTINGENCIES AND COMMITMENTS**

Grant Programs

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

**NOTE 14 – INSURANCE AND RELATED ACTIVITIES**

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

**NOTE 15 – RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions and general liability coverage, the District purchases commercial insurance.

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

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

**NOTE 16 – COBRA**

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 16 – COBRA, continued**

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

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

**NOTE 17 – INTERFUND RECEIVABLES AND PAYABLES**

There were interfund receivables in the General Fund with offsetting interfund payables in the District Activity Fund of \$2,473,930 and in the Student Activity Fund of \$2,111,290 at June 30, 2022.

**NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS**

Implemented

GASB Statement No. 87, *Leases* (GASB 87), increases the usefulness of governments' financial statements by requiring recognition in the statements of certain leased assets and related liabilities that previously were classified as operating leases which recognized inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing arrangements for the right to use an underlying asset. GASB 87 will be effective for reporting periods beginning after June 15, 2021; however, this statement was postponed for eighteen months and took effect for the fiscal year ended June 30, 2022. GASB No. 87 will only change the title of "capital leases" to "financed purchases" in the Board's financial reporting.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. GASB 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The provisions of this statement were supposed to take effect for the Board's financial statements for the fiscal year ending June 30, 2021; however, this statement was postponed and took effect for the fiscal year ending June 30, 2022. There were no amounts expended for this purpose during the current fiscal year.

Recent Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. This standard will require similar recognition of the right-to-use a subscription to intangible assets and the corresponding subscription liability that is provided for leases in GASB No. 87. The Board will review its current IT subscription services to evaluate the impact of this standard, but since the recognized value for the intangible assets is generally the same as the corresponding subscription liability, there will be minimal financial impact for the Board.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
From local sources				
Taxes				
Property	\$ 13,020,000	\$ 13,020,000	\$ 15,647,335	\$ 2,627,335
Motor vehicle	1,700,000	1,700,000	2,350,438	650,438
Utilities	4,300,000	4,300,000	4,616,115	316,115
Earnings on investments	200,000	200,000	188,185	(11,815)
Other local revenues	835,000	835,000	799,539	(35,461)
Intergovernmental - state	32,328,581	32,328,581	32,518,118	189,537
Intergovernmental - federal	250,000	250,000	201,382	(48,618)
<b>Total revenues</b>	<b>52,633,581</b>	<b>52,633,581</b>	<b>56,321,112</b>	<b>3,687,531</b>
<b>EXPENDITURES</b>				
Current				
Instruction	26,896,868	26,896,868	25,814,785	1,082,083
Support services				
Student	1,746,302	1,746,302	1,729,359	16,943
Instructional staff	2,217,805	2,217,805	1,762,506	455,299
District administration	1,739,212	1,622,212	1,533,665	88,547
School administration	3,839,020	3,839,020	3,837,071	1,949
Business	2,695,235	2,639,514	2,523,351	116,163
Plant operations and maintenance	8,572,099	8,572,099	8,447,140	124,959
Student transportation	6,129,047	6,129,048	4,666,769	1,462,279
Facilities and construction	-	-	6,016,920	(6,016,920)
Contingency	10,727,460	10,711,193	-	10,711,193
<b>Total expenditures</b>	<b>64,563,048</b>	<b>64,374,061</b>	<b>56,331,566</b>	<b>8,042,495</b>
Excess (deficit) of revenues over (under) expenditures	(11,929,467)	(11,740,480)	(10,454)	11,730,026
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of fixed assets	10,000	10,000	17,412	7,412
Transfers in	300,000	300,000	414,123	114,123
Transfers (out)	(646,314)	(835,301)	(835,301)	-
<b>Total other financing sources (uses)</b>	<b>(336,314)</b>	<b>(525,301)</b>	<b>(403,766)</b>	<b>121,535</b>
Net change in fund balance	(12,265,781)	(12,265,781)	(414,220)	11,851,561
<b>Fund balance, beginning of year</b>	<b>12,265,781</b>	<b>12,265,781</b>	<b>12,699,840</b>	<b>434,059</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,285,620</b>	<b>\$ 12,285,620</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
From local sources				
Other local revenues	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state	3,802,258	5,797,425	3,951,328	(1,846,097)
Intergovernmental - indirect federal	58,234,227	60,336,034	18,562,209	(41,773,825)
<b>Total revenues</b>	<u>62,036,485</u>	<u>66,133,459</u>	<u>22,513,537</u>	<u>(43,619,922)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	25,788,165	26,344,759	17,432,970	8,911,789
Support services				
Student	7,505,073	7,503,400	3,047,813	4,455,587
Instructional staff	651,349	828,136	290,719	537,417
School administration	293,540	293,540	20,988	272,552
Plant operations and maintenance	26,035,436	26,035,436	170,673	25,864,763
Student transportation	579,592	478,115	451,268	26,847
Day care operations	465,250	1,437,319	321,226	1,116,093
Community service activities	883,080	883,080	879,540	3,540
<b>Total expenditures</b>	<u>62,201,485</u>	<u>63,803,785</u>	<u>22,615,197</u>	<u>41,188,588</u>
Excess (deficit) of revenues over (under) expenditures	<u>(165,000)</u>	<u>2,329,674</u>	<u>(101,660)</u>	<u>(2,431,334)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	165,000	165,702	165,702	-
Transfers (out)	-	(2,037,496)	-	2,037,496
<b>Total other financing sources (uses)</b>	<u>165,000</u>	<u>(1,871,794)</u>	<u>165,702</u>	<u>2,037,496</u>
Net change in fund balance	-	457,880	64,042	(393,838)
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>232,381</u>	<u>232,381</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ 457,880</u>	<u>\$ 296,423</u>	<u>\$ (161,457)</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>REVENUES</b>				
From local sources				
Earnings on investments	\$ -	\$ -	\$ 876,294	\$ 876,294
Intergovernmental - state	1,358,013	1,358,013	1,690,111	332,098
Intergovernmental - federal	-	-	1,391,084	1,391,084
	<u>1,358,013</u>	<u>1,358,013</u>	<u>3,957,489</u>	<u>2,599,476</u>
<b>EXPENDITURES</b>				
Current				
Debt service	4,370,580	4,370,580	5,089,535	(718,955)
	<u>4,370,580</u>	<u>4,370,580</u>	<u>5,089,535</u>	<u>(718,955)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(3,012,567)</u>	<u>(3,012,567)</u>	<u>(1,132,046)</u>	<u>1,880,521</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,012,567	3,012,567	3,012,567	-
Transfers (out)	-	-	-	-
	<u>3,012,567</u>	<u>3,012,567</u>	<u>3,012,567</u>	<u>-</u>
Net change in fund balance	-	-	1,880,521	1,880,521
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>20,382,164</u>	<u>20,382,164</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,262,685</u>	<u>\$ 22,262,685</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – CONSTRUCTION FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
From local sources				
Earnings on investments	\$ -	\$ 98,259	\$ 4,268	\$ (93,991)
Intergovernmental - state	-	10,000,000	10,000,000	-
Total revenues	-	10,098,259	10,004,268	(93,991)
<b>EXPENDITURES</b>				
Current				
Facilities and construction	-	120,521,165	5,125,340	115,395,825
Total expenditures	-	120,521,165	5,125,340	115,395,825
Excess (deficit) of revenues over (under) expenditures	-	(110,422,906)	4,878,928	115,301,834
<b>OTHER FINANCING SOURCES (USES)</b>				
Extraordinary item - insurance proceeds	-	924,178	924,178	-
Bond proceeds	-	81,140,000	-	(81,140,000)
Transfers in	-	28,358,728	712,118	(27,646,610)
Transfers (out)	-	-	(619,200)	(619,200)
Total other financing sources (uses)	-	110,422,906	1,017,096	(109,405,810)
Net change in fund balance	-	-	5,896,024	5,896,024
<b>Fund balance, beginning of year</b>	-	-	1,610,699	1,610,699
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ 7,506,723	\$ 7,506,723

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET AND ACTUAL  
JUNE 30, 2022**

**NOTE 1 – BUDGETARY INFORMATION**

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

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy and from estimates of other Local, State and Federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay and other necessary expenses. The budget must be approved by the Board.

The District must formally and publicly examine estimated revenues and expenditures for the subsequent fiscal year by January 31 of each calendar year.

The District must prepare an annual allocation to schools by March 1 of each year for the following fiscal year. This allocation must include the amount for certified and classified staff based on the District’s staffing policy and the amount for instructional supplies, materials, travel and equipment.

The District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each year. This budget must contain a minimum 2.00% contingency.

The budget presented for General Fund does not include on-behalf payments provided by the Kentucky State Department of Education. The following table reconciles the budgetary basis to the modified cash basis of revenues.

Revenues - budgetary basis	\$ 56,321,112
On-behalf payments	<u>18,724,333</u>
 Total revenues - modified cash basis	 <u><u>\$ 75,045,445</u></u>
 Expenditures - budgetary basis	 \$ 56,331,566
On-behalf payments	<u>18,724,333</u>
 Total expenditures - modified cash basis	 <u><u>\$ 75,055,899</u></u>

Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of the current fiscal year.

The Board has the ability to amend the working budget. The working budget was amended during the year only to reflect changes in SEEK allocations and/or grant funds.

All budget appropriations lapse at year-end.

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

<u>As of June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0.459268%	0.4599680%	0.4733390%	0.496569%	0.511619%	0.536890%	0.542749%	0.554993%
District's proportionate share of net pension liability	\$ 29,281,937	\$ 35,279,165	\$ 33,290,143	\$ 30,242,566	\$ 29,946,633	\$ 26,434,638	\$ 23,335,624	\$ 18,408,000
District's covered-employee payroll	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602	\$ 12,898,133	\$ 12,764,635	\$ 12,861,980
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	247.57%	297.52%	276.32%	243.80%	238.19%	204.95%	182.81%	143.12%
Plan fiduciary net position as a percentage of total pension liability	57.33%	47.81%	50.45%	54.54%	53.32%	55.50%	59.97%	66.80%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

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

<u>For the year ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,796,972	\$ 2,282,758	\$ 2,288,535	\$ 1,954,165	\$ 1,796,174	\$ 2,348,549	\$ 2,200,279	\$ 2,255,739
Contributions in relation to the contractually required contribution	<u>2,796,972</u>	<u>2,282,758</u>	<u>2,288,535</u>	<u>1,954,165</u>	<u>1,796,174</u>	<u>2,348,549</u>	<u>2,200,279</u>	<u>2,255,739</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602	\$ 12,898,133	\$ 12,764,635
Contributions as a percentage of covered-employee payroll	21.17%	19.30%	19.30%	16.22%	14.48%	18.68%	17.08%	17.67%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information



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

Changes in benefit terms

2021

No changes.

2020

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

House Bill 271 passed during the 2020 Legislative Session and removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries.

Changes in assumptions

2021

No changes.

2020

No changes.

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

<u>As of June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 131,387,256	\$ 143,372,653	\$ 138,561,618	\$ 139,896,567	\$ 294,075,755	\$ 326,809,865	\$ 266,330,000	\$ 245,893,739
District's covered-employee payroll	\$ 31,708,212	\$ 35,480,458	\$ 35,024,203	\$ 36,418,731	\$ 36,604,139	\$ 37,056,997	\$ 37,547,224	\$ 37,503,276
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	65.59%	58.27%	58.76%	59.30%	39.83%	35.22%	42.49%	45.59%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

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

<u>For the year ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 35,024,203	\$ 36,418,731	\$ 36,604,139	\$ 37,056,997	\$ 37,547,224
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

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

Changes in benefit terms

No changes.

Changes in assumptions

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

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

<u>As of June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.459213%	0.459835%	0.473226%	0.496568%	0.511619%
District's proportionate share of collective net OPEB liability	\$ 8,791,403	\$ 11,103,617	\$ 7,959,448	\$ 8,816,466	\$ 10,285,292
District's covered-employee payroll	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516	\$ 12,572,602
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	74.33%	93.64%	66.07%	71.07%	81.81%
Plan fiduciary net position as a percentage of total OPEB liability	62.91%	51.67%	60.44%	57.62%	52.40%

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

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

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

<u>For the year ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 763,651	\$ 563,002	\$ 564,426	\$ 633,718	\$ 583,012
Contributions in relation to the contractually required contribution	<u>763,651</u>	<u>563,002</u>	<u>564,426</u>	<u>633,718</u>	<u>583,012</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,211,958	\$ 11,827,764	\$ 11,857,697	\$ 12,047,870	\$ 12,404,516
Contributions as a percentage of covered-employee payroll	5.78%	4.76%	4.76%	5.26%	4.70%

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

See accompanying notes to the required supplementary information

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

Changes in benefit terms

2021

During the 2021 legislative session, Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions. There were no other material plan provision changes, and it is our opinion that these procedures are reasonable and appropriate and comply with applicable requirements under GASB Statement No. 75.

2020

No changes.

Changes in assumptions

2021

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for OPEB:

- The single discount rate used to calculate the OPEB liability was decreased from 5.34% to 5.20% for non-hazardous and from 5.30% to 5.05% for hazardous.
- The healthcare trend rate starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years for pre-65. The healthcare trend rate starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years for post-65.

2020

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for OPEB:

- The healthcare trend rate starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years for pre-65. The healthcare trend rate starting at 2.90% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years for post-65.
- The single discount rate of non-hazardous changed from 5.68% to 5.34%.
- The municipal bond rate decreased from 3.13% to 2.45%.
- The June 30, 2020 actuarial information reflects the anticipated savings from the repeal of the “Cadillac Tax” and “Health Insurer Fee”, which occurred in December of 2019. The assumed loan on pre-Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee.

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

<u>As of June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.535669%	0.539372%	0.538419%	0.548601%	0.571442%
District's proportionate share of collective net OPEB liability	\$ 11,494,000	\$ 13,612,000	\$ 15,758,000	\$ 19,035,000	\$ 20,376,000
State's proportionate share of collective net OPEB liability	\$ 9,334,000	\$ 10,904,000	\$ 12,726,000	\$ 16,404,000	\$ 16,645,000
District's covered-employee payroll	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250	\$ 32,634,607
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	36.25%	38.60%	50.42%	58.44%	62.44%
Plan fiduciary net position as a percentage of total OPEB liability	51.74%	39.05%	32.58%	25.50%	21.18%

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

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information



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

<u>For the year end June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 871,902	\$ 951,254	\$ 952,053	\$ 937,517	\$ 977,124
Contributions in relation to the contractually required contribution	<u>871,902</u>	<u>951,254</u>	<u>952,053</u>	<u>937,517</u>	<u>977,124</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	2.68%	3.00%	3.00%

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

See accompanying notes to the required supplementary information

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

<u>As of June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of collective net OPEB liability	0.0000000%	0.0000000%	0.0000000%	0.000000%	0.000000%
District's proportionate share of collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of collective net OPEB liability	\$ 124,000	\$ 330,000	\$ 296,000	\$ 281,000	\$ 223,000
District's covered-employee payroll	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250	\$ 32,634,607
District's proportionate share of collective net liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	89.15%	71.57%	73.40%	75.00%	79.99%

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

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

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

<u>For the year ended June 30</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 29,063,263	\$ 31,708,212	\$ 35,480,458	\$ 31,251,225	\$ 32,571,250
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying notes to the required supplementary information

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

**Medical Insurance Fund**

Changes in benefit terms

No changes.

Changes in assumptions

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, 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 8.00% to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**Life Insurance Fund**

Changes in benefit terms

No changes.

Changes in assumptions

The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

**OTHER SUPPLEMENTARY INFORMATION**

**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>ASSETS AND RESOURCES</b>					
Cash and cash equivalents	\$ 1,172,127	\$ 1,778,329	\$ 2,846,020	\$ 2,930,586	\$ 8,727,062
Accounts receivable	-	-	4,007	1,141	5,148
Total assets and resources	<u>\$ 1,172,127</u>	<u>\$ 1,778,329</u>	<u>\$ 2,850,027</u>	<u>\$ 2,931,727</u>	<u>\$ 8,732,210</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 15,509	\$ 3,030	\$ 18,539
Interfund payable	-	-	2,111,290	2,473,930	4,585,220
Total liabilities	<u>-</u>	<u>-</u>	<u>2,126,799</u>	<u>2,476,960</u>	<u>4,603,759</u>
Fund Balances					
Restricted	1,172,127	1,778,329	723,228	454,767	4,128,451
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,172,127</u>	<u>1,778,329</u>	<u>723,228</u>	<u>454,767</u>	<u>4,128,451</u>
Total liabilities and fund balances	<u>\$ 1,172,127</u>	<u>\$ 1,778,329</u>	<u>\$ 2,850,027</u>	<u>\$ 2,931,727</u>	<u>\$ 8,732,210</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>REVENUES</b>					
From local sources					
Taxes					
Property	\$ -	\$ 2,299,769	\$ -	\$ -	\$ 2,299,769
Earnings on investments	-	5,117	9,781	-	14,898
Other local revenues	-	-	40,738	233,448	274,186
Student activities	-	-	947,614	-	947,614
Intergovernmental - state	789,057	1,314,113	-	-	2,103,170
<b>Total revenues</b>	<b>789,057</b>	<b>3,618,999</b>	<b>998,133</b>	<b>233,448</b>	<b>5,639,637</b>
<b>EXPENDITURES</b>					
Instruction	-	-	897,460	223,656	1,121,116
Support services					
Student	-	-	-	9,410	9,410
Instructional staff	-	-	37,222	118	37,340
Student transportation	-	-	10,841	-	10,841
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>945,523</b>	<b>233,184</b>	<b>1,178,707</b>
Excess (deficit) of revenues over expenditures	789,057	3,618,999	52,610	264	4,460,930

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, continued  
 FOR THE YEAR ENDED JUNE 30, 2022**

	SEEK Capital Outlay	FSPK	School Activity	District Activity	Total Nonmajor Governmental
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	118,699	88,984	207,683
Transfers (out)	(92,918)	(2,531,254)	(20,962)	-	(2,645,134)
Total other financing sources (uses)	(92,918)	(2,531,254)	97,737	88,984	(2,437,451)
Net change in fund balances	696,139	1,087,745	150,347	89,248	2,023,479
<b>Fund balance, beginning of year</b>	475,988	690,584	572,881	365,519	2,104,972
<b>Fund balance, end of year</b>	<u>\$ 1,172,127</u>	<u>\$ 1,778,329</u>	<u>\$ 723,228</u>	<u>\$ 454,767</u>	<u>\$ 4,128,451</u>



**CHRISTIAN COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
Christian County High	\$ 177,606	\$ 367,646	\$ 301,112	\$ 244,140	\$ 2,212	\$ 4,716	\$ 241,636
Christian County Middle	54,624	49,370	40,533	63,461	-	-	63,461
Crofton Elementary	3,190	23,341	19,588	6,943	-	-	6,943
Hopkinsville High	126,853	327,080	293,584	160,349	-	2,438	157,911
Hopkinsville Middle	70,151	66,983	69,469	67,665	1,535	2,710	66,490
Indian Hills Elementary	7,232	49,646	48,994	7,884	-	111	7,773
Martin Luther King Elementary	17,326	36,266	24,726	28,866	-	-	28,866
Millbrooke Elementary	31,599	62,671	56,590	37,680	210	5,534	32,356
Freedom Elementary	7,378	11,888	7,435	11,831	-	-	11,831
Pembroke Elementary	15,413	20,787	16,748	19,452	-	-	19,452
Sinking Fork Elementary	17,154	14,373	7,882	23,645	-	-	23,645
South Christian Elementary	19,256	51,867	43,779	27,344	-	-	27,344
Gateway Academy	23,176	15,677	14,885	23,968	50	-	24,018
<b>Total</b>	<b>\$ 570,958</b>	<b>\$ 1,097,595</b>	<b>\$ 945,325</b>	<b>\$ 723,228</b>	<b>\$ 4,007</b>	<b>\$ 15,509</b>	<b>\$ 711,726</b>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
Step Team	\$ -	\$ 40	\$ -	\$ 40	\$ -	\$ -	\$ 40
Tennis	510	1,539	-	2,049	-	-	2,049
Track	1,967	1,961	-	3,928	-	-	3,928
Volleyball	-	922	-	922	-	-	922
Wrestling	-	19,023	9,028	9,995	-	-	9,995
Softball	219	1,019	-	1,238	-	-	1,238
Art	311	1,119	1,256	174	-	-	174
Academic team	1,125	161	-	1,286	42	-	1,328
Band	9,076	18,320	13,123	14,273	-	-	14,273
Senior Beta	4,870	3,984	2,301	6,553	-	-	6,553
Choir	1,985	1,725	-	3,710	-	-	3,710
Drama Club	1,391	-	246	1,145	-	-	1,145
FBLA	4,191	14,820	17,288	1,723	-	-	1,723
FFA	28,832	53,431	51,169	31,094	2,000	539	32,555
PC Gamers	70	-	-	70	-	-	70
Key Club	3,425	60	-	3,485	-	-	3,485
NHS	2,046	507	1,088	1,465	-	-	1,465
Prom	90	10,075	6,573	3,592	-	-	3,592
Student Council	3,796	3,347	3,202	3,941	-	-	3,941
STLP	1,964	30	1,473	521	-	-	521

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
Winterguard	1,827	5,528	4,670	2,685	-	-	2,685
World Language Club	2,585	2,727	1,798	3,514	-	-	3,514
KYA	959	4,725	1,745	3,939	-	-	3,939
Band fees	3,103	450	3,219	334	-	-	334
Colonels R Cookin'	765	1,087	1,406	446	-	-	446
JRTOC	9,676	11,895	14,281	7,290	-	-	7,290
Yearbook	4,085	7,891	3,772	8,204	170	2,678	5,696
Teacher account	1,219	3,673	1,859	3,033	-	-	3,033
Agriculture	1,245	-	-	1,245	-	-	1,245
Art	481	-	-	481	-	-	481
Humanities	309	-	-	309	-	-	309
Physical education	619	-	-	619	-	-	619
World Language	973	-	-	973	-	-	973
Rotary	-	3,673	3,673	-	-	-	-
Boys basketball	31	14,134	12,668	1,497	-	1,499	(2)
Bass fishing	364	112	-	476	-	-	476
Boys golf	-	75	-	75	-	-	75
Baseball	583	1,058	-	1,641	-	-	1,641
Boys soccer	2,281	2,255	2,949	1,587	-	-	1,587
Cheer	6,295	5,050	6,348	4,997	-	-	4,997
Cross country	-	2,173	725	1,448	-	-	1,448

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CHRISTIAN COUNTY HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
Master of Design	-	427	106	321	-	-	321
United Way	-	275	275	-	-	-	-
Student Union	-	919	919	-	-	-	-
Dance	6,108	4,726	3,141	7,693	-	-	7,693
Football	2,420	8,485	5,397	5,508	-	-	5,508
Girls basketball	-	1,640	717	923	-	-	923
Girls golf	-	537	-	537	-	-	537
Girls soccer	3,000	10,404	7,467	5,937	-	-	5,937
CBI	2,884	3,541	2,400	4,025	-	-	4,025
Athletic general	33,451	101,349	108,010	26,790	-	-	26,790
Class fees	21,862	17,472	6,075	33,259	-	-	33,259
General	4,394	84,453	66,402	22,445	-	-	22,445
Archery	219	734	248	705	-	-	705
Subtotal	177,606	433,551	367,017	244,140	2,212	4,716	241,636
Interfund transfers	-	(65,905)	(65,905)	-	-	-	-
Total	<u>\$ 177,606</u>	<u>\$ 367,646</u>	<u>\$ 301,112</u>	<u>\$ 244,140</u>	<u>\$ 2,212</u>	<u>\$ 4,716</u>	<u>\$ 241,636</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
General fund	\$ 2,097	\$ 70,095	\$ 67,317	\$ 4,875	\$ -	\$ -	\$ 4,875
Tennis	576	156	210	522	-	-	522
Track	1,968	6,534	5,074	3,428	-	270	3,158
Wrestling	26	654	385	295	-	-	295
Weightlifting	6	-	-	6	-	-	6
Community Base Grant	2,672	1,528	918	3,282	-	-	3,282
Archery	1,250	1,096	1,060	1,286	-	-	1,286
Art	820	-	-	820	-	-	820
Academic Team	315	-	-	315	-	-	315
Marching Band	9,292	15,216	13,083	11,425	-	-	11,425
Beta Club	1,444	3,282	495	4,231	-	-	4,231
JROTC Color Guard	322	500	-	822	-	-	822
Choir	125	1,965	2,084	6	-	-	6
FFA	9,773	6,797	9,645	6,925	-	-	6,925
FCS	90	-	-	90	-	-	90
Grad Class	335	-	-	335	-	-	335
KYA	11,001	15,874	20,144	6,731	-	-	6,731
Key Club	2,748	3,039	5,424	363	-	-	363
Prom	323	8,579	4,637	4,265	-	-	4,265
Student Council	5,754	8,567	8,181	6,140	-	-	6,140

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
STLP	1	-	-	1	-	-	1
Science Olympiad	420	-	-	420	-	-	420
Student Union	4	228	-	232	-	-	232
Winterguard	2,158	2,813	4,359	612	-	-	612
JROTC	1,747	7,680	6,205	3,222	-	-	3,222
Yearbook	9,639	12,446	21,023	1,062	-	-	1,062
Teachers account	1,167	4,359	1,840	3,686	-	-	3,686
Fees	22,011	33,259	15,352	39,918	-	-	39,918
Athletic general	17,384	154,116	141,296	30,204	-	2,168	28,036
Boys basketball	2,914	1,169	3,229	854	-	-	854
Bass fishing	96	1,271	1,022	345	-	-	345
Baseball	3,147	1,023	1,463	2,707	-	-	2,707
Soccer	2,078	1,158	868	2,368	-	-	2,368
Cheer	3,500	5,117	4,991	3,626	-	-	3,626
Cross country	1,076	7,368	6,157	2,287	-	-	2,287
Dance	625	-	-	625	-	-	625
Football	-	4,120	3,861	259	-	-	259
Girls basketball	1,908	3,108	1,158	3,858	-	-	3,858
Girl's golf	403	-	-	403	-	-	403
Girls soccer	1,333	1,362	268	2,427	-	-	2,427
Softball	2,982	642	3,368	256	-	-	256

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
HOPKINSVILLE HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2022
United Way	-	95	95	-	-	-	-
FCCLA	-	160	-	160	-	-	160
Rotary	-	932	932	-	-	-	-
FBLA	1,323	2,666	2,521	1,468	-	-	1,468
NHS	-	3,272	735	2,537	-	-	2,537
Boys golf	-	650	-	650	-	-	650
Subtotal	126,853	392,896	359,400	160,349	-	2,438	157,911
Interfund transfers	-	(65,816)	(65,816)	-	-	-	-
Total	<u>\$ 126,853</u>	<u>\$ 327,080</u>	<u>\$ 293,584</u>	<u>\$ 160,349</u>	<u>\$ -</u>	<u>\$ 2,438</u>	<u>\$ 157,911</u>

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures	
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	3810002-21	\$ 2,199,701	
	84.027	3810002-20	1,440	
	84.027	3810002-19	11,921	
Special Education - Preschool Grants	84.173	3800002-21	24,368	
	84.173	3800002-20	178,174	
	84.173	3800002-19	20,567	
	84.173	3800002-18	2,334	
COVID-19: Special Education - Grants to States	84.027	4910002-21	315,163	
COVID-19: Special Education - Preschool Grants	84.173	4900002-21	54,571	
			\$ 2,808,239	
Total Special Education Cluster				\$ 2,808,239
Title I Grants to Local Education Agencies	84.010	3100002-21	1,663,167	
	84.010	3100202-21	11,157	
	84.010	3100002-20	2,299,556	
	84.010	3100202-20	4,819	
	84.010	3100002-19	318,815	
	84.010	3100002-18	260	
	84.010	3100202-17	195,150	4,492,924
			195,150	
Migrant Education - State Grant Program	84.011	3110002-21	79,867	
	84.011	3110002-20	39,033	118,900
			39,033	
Title I, Part D	84.013	Direct	36,889	
	84.013	3100102-20	37,677	
	84.013	3100102-19	35,768	
	84.013	3100102-18	20,197	130,531
			20,197	
Vocational Education - Basic Grants to States	84.048	3710002-21	169,384	
	84.048	3710002-20	23,443	
	84.048	3710002-19	12,154	204,981
			12,154	
School Safety National Activities	84.184	Direct		62,350
Twenty-First Century Community Learning Centers	84.287	3400002-19	33,196	
	84.287	3400002-18	65	33,261
			65	
Title V Rural and Low Income	84.358	3140002-21	101,325	
	84.358	3140002-20	88,812	
	84.358	3140002-19	79,255	
	84.358	3140002-18	71,161	340,553
			71,161	
English Language Acquisition Grants	84.365	3300002-21	14,298	
	84.365	3300002-20	33,418	
	84.365	3300002-19	21,871	
	84.365	3300002-18	5,640	75,227
			5,640	
Improving Teacher Quality - State Grants	84.367	3230002-21	239,359	
	84.367	3230002-20	295,506	
	84.367	3230002-19	19,477	
	84.367	3230002-18	566	554,908
			566	

Continued



**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued  
JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures	
<b>U.S. Department of Education - continued</b>				
Passed through State Department of Education				
Striving Readers Comprehensive Literacy	84.371C	3220002-21	204,824	
	84.371C	3220002-19	<u>101,423</u>	306,247
Student Support and Academic Enrichment Program	84.424	3420002-21	135,999	
	84.424	3420002-20	212,988	
	84.424	3420002-19	7,038	
	84.424	3420002-18	<u>20,604</u>	376,629
Other U. S. Department of Education Programs:				
Impact Aid	84.041	Direct		54,696
COVID-19 Education Stabilization Act				
Elementary and Secondary School Emergency Relief Fund	84.425	4000002-21	418,851	
	84.425	4200002-21	7,142,126	
	84.425	4200003-21	262,264	
	84.425	4300002-21	605,656	
	84.425	4300005-21	8,090	
	84.425	GEER-20	<u>128,558</u>	<u>8,565,545</u>
<b>Total U.S. Department of Education</b>				<u>18,124,991</u>
<b>U.S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	7760005-22	1,417,473	
	10.553	7760005-21	358,840	
National School Lunch Program	10.555	7750002-22	3,512,667	
	10.555	7750002-21	871,947	
	10.555	7970000-21	222,159	
	10.555	9980000-22	204,054	
Summer Food Service Program for Children	10.559	7690024-21	5,404	
	10.559	7740023-21	<u>52,583</u>	
Total Child Nutrition Cluster				6,645,127
Child and Adult Care Food Program	10.558	7790021-22	2,319	
	10.558	7790021-21	16,599	
	10.558	7800016-21	874	
	10.558	7980000-21	<u>7,683</u>	27,475
State Administrative Expenses for Child Nutrition	10.560	7700001-20		8,971
COVID-19: Pandemic EBT Administrative Cost	10.649	9990000-21		5,814
Other U.S. Department of Agriculture Programs				
Fresh Fruit and Vegetable Program	10.555	Direct		<u>617,587</u>
<b>Total U.S. Department of Agriculture</b>				<u>7,304,974</u>

Continued

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued  
JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. Department of Defense</b>			
ROTC Language and Culture Training	12.357	Direct	<u>65,784</u>
<b>Total U.S. Department of Defense</b>			<u>65,784</u>
<b>U.S. Department of Health and Human Services</b>			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	Direct	4,968
CECC Preschool Development Grant School Readiness	93.434	Direct	25,461
COVID-19 Child Care and Development Block Grant	93.575	Direct	<u>321,226</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>351,655</u>
<b>U.S. Department of Labor</b>			
Passed through West Kentucky Workforce Investment Board WIA Youth Activities	17.259	Direct	<u>74,475</u>
<b>Total U.S. Department of Labor</b>			<u>74,475</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 25,921,879</u></u>

See notes to Schedule of Expenditures of Federal Awards

**CHRISTIAN COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Christian County School District (District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

**NOTE 3 – SUBRECIPIENTS**

There were no sub recipients during the fiscal year.

**NOTE 4 – INDIRECT COST RATE**

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

**NOTE 5 – COMMODITIES**

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

## **INTERNAL CONTROL AND COMPLIANCE**

ANNA B. GENTRY HERR, CPA, CFE

WALTER G. CUMMINGS, CPA



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DUGUID, GENTRY & ASSOCIATES, P.S.C.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Christian County School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 27, 2022.

#### Internal Control over Financial Reporting

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of Christian County School District in a separate report dated October 27, 2022.

### **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.

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

October 27, 2022

ANNA B. GENTRY HERR, CPA, CFE

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CERTIFIED PUBLIC ACCOUNTANTS

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

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

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

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

We have audited Christian County School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

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

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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



deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

October 27, 2022

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?                     \_\_\_ yes    X no

Significant deficiency(ies) identified?                     \_\_\_ yes    X none reported

Noncompliance material to financial statements noted?                     \_\_\_ yes    X no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?                     \_\_\_ yes    X no

Significant deficiency(ies) identified?                     \_\_\_ yes    X none reported

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

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

Major federal programs:

<u>Program Title</u>	<u>CFDA Number</u>
Title I Grants to Local Educational Agencies	84.010
Rural Education	84.358
Comprehensive Literacy Development	84.371
Cares Act	84.425

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

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

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

**Findings – Financial Statement Audits**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

None

**MANAGEMENT COMMENTS FOR AUDIT**

ANNA B. GENTRY HERR, CPA, CFE

WALTER G. CUMMINGS, CPA



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DUGUID, GENTRY & ASSOCIATES, P.S.C.  
CERTIFIED PUBLIC ACCOUNTANTS

October 27, 2022

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Christian County School District  
Hopkinsville, Kentucky

In planning and performing our audit of the financial statements of Christian County School District (District) for the year ended June 30, 2022, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

The memorandum that accompanies this letter summarizes our comments and recommendations. Any uncorrected comments from the prior year have been listed in this letter. A separate report dated October 27, 2022 contains our report on the District's internal control. This letter does not affect our report dated October 27, 2022 on the financial statements of the District.

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

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

Respectfully,

Duguid, Gentry & Associates, PSC

*Duguid, Gentry & Associates, PSC*

Certified Public Accountants  
Hopkinsville, Kentucky

**CHRISTIAN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CHRISTIAN COUNTY MIDDLE SCHOOL**

- I. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (Redbook) sets accounting guidelines for fundraisers.

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

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

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

**Views of Responsible Officials** – Principal and Bookkeeper will work with staff to ensure that forms are completed properly.

**CHRISTIAN COUNTY HIGH SCHOOL**

- I. **Criteria** – Accounting Procedures for Kentucky School Activity Funds (Redbook) sets accounting guidelines for fundraisers.

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

**Cause** – Lack of implementation of Redbook policy.

**Effect** – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

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

**Views of Responsible Officials** – Principal and Bookkeeper will work with staff to ensure that forms are completed properly.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CHRISTIAN COUNTY HIGH SCHOOL, continued**

- II. Criteria** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires the use of Form F-SA-6 to record funds collected by teachers or sponsors from a group of students in lieu of individual receipts.

**Condition** – Form F-SA-6, Multiple Receipt Form, was not completed properly and timely.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – The lack of use of Form F-SA-6 weakens internal controls which would otherwise provide support for funds collected and documentation of the amount, date and person collecting the funds.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires the use and proper and timely completion of the Multiple Receipt Form when funds are collected from a group of students to document the receipt of funds from a fundraiser or event. Additionally, it is required that students in sixth grade and above sign F-SA-6 as they turn in money.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**HOPKINSVILLE HIGH SCHOOL**

- I. Criteria** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires the use of Form F-SA-6 to record funds collected by teachers or sponsors from a group of students in lieu of individual receipts.

**Condition** – Form F-SA-6, Multiple Receipt Form, was not completed properly and timely.

**Cause** – Lack of implementation of Redbook policy.

**Effect** – The lack of use of Form F-SA-6 weakens internal controls which would otherwise provide support for funds collected and documentation of the amount, date and person collecting the funds.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires the use and proper and timely completion of the Multiple Receipt Form when funds are collected from a group of students to document the receipt of funds from a fundraiser or event. Additionally, it is required that students in sixth grade and above sign F-SA-6 as they turn in money.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.



**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CROFTON ELEMENTARY SCHOOL**

- I. **Condition** – 2 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was not repeated for June 30, 2022.

- II. **Condition** – There was no indication on the deposit slip that anyone other than the treasurer had verified the deposit.

**Recommendation** – Receipt numbers in the deposit should be listed on the deposit slip and verification of the daily deposit should be noted on the deposit slip.

**Current Status** – This finding was repeated for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review Redbook guidance with staff to ensure that forms are completed properly.

**FREEDOM ELEMENTARY SCHOOL**

- I. **Condition** – 5 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for five accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**INDIAN HILLS ELEMENTARY SCHOOL**

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

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

**Current Status** – This finding was repeated for one account for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**MARTIN LUTHER KING JR. ELEMENTARY SCHOOL**

- I. **Condition** – 3 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for one account for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**MILLBROOKE ELEMENTARY SCHOOL**

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

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

**Current Status** – This finding was repeated for two accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**PEMBROKE ELEMENTARY SCHOOL**

- I. **Condition** – 5 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for five accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**SINKING FORK ELEMENTARY SCHOOL**

- I. **Condition** – 5 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for three accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**SOUTH CHRISTIAN ELEMENTARY SCHOOL**

- I. **Condition** – 5 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for three accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**SOUTH CHRISTIAN ELEMENTARY SCHOOL, continued**

- II. Condition** – Receipt numbers were not listed on deposit slips.

**Recommendation** – Receipt numbers in the deposit should be listed on the deposit slip and verification of the daily deposit should be noted on the deposit slip.

**Current Status** – This finding was repeated for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will work with school staff to ensure forms are completed properly.

**CHRISTIAN COUNTY MIDDLE SCHOOL**

- I. Condition** – 10 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for eight accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. Condition** – Fundraisers tested were missing Form F-SA-2A Fundraiser & Crowdfunding Approval.

**Recommendation** – Form F-SA-2A Fundraiser & Crowdfunding Approval should be completed for each fundraiser.

**Current Status** – This finding was repeated for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will work with District staff to determine repeat instances of missing Redbook forms for Fundraisers and work with school staff to ensure forms are completed properly.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CHRISTIAN COUNTY HIGH SCHOOL**

- I. **Condition** – 10 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for six accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

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

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

**Current Status** – This finding was repeated for June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will work with District staff to determine repeat instances of missing Redbook forms for Fundraisers and work with school staff to ensure forms are completed properly.

**HOPKINSVILLE MIDDLE SCHOOL**

- I. **Condition** – 10 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for seven accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. **Condition** – Form F-SA-6, Multiple Receipt Form, was not completed properly and timely.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires the use and proper and timely completion of the Multiple Receipt Form when funds are collected from a group of students to document the receipt of funds from a fundraiser or event. Additionally, it is required that students in sixth grade and above sign F-SA-6 as they turn in money.

**Current Status** – This finding was not repeated for June 30, 2022.

**CHRISTIAN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**HOPKINSVILLE MIDDLE SCHOOL, continued**

- III. Condition** – There was no indication on the deposit slip that anyone other than the treasurer had verified the deposit.

**Recommendation** – Receipt numbers in the deposit should be listed on the deposit slip and verification of the daily deposit should be noted on the deposit slip.

**Current Status** – This was not repeated for June 30, 2022.

**HOPKINSVILLE HIGH SCHOOL**

- I. Condition** – 7 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for nine accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

**GATEWAY ACADEMY**

- I. Condition** – 7 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

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

**Current Status** – This finding was repeated for four accounts for fiscal year June 30, 2022.

**Views of Responsible Officials** – Principal and Bookkeeper will review the accounts to determine if funds should be transferred to the general account at the school.

- II. Condition** – Purchase orders were not filled out completely / correctly.

**Recommendation** – Accounting Procedures for Kentucky School Activity Funds (Redbook) requires each disbursement shall be documented by a completed purchase order and an original vendor invoice before being processed.

**Current Status** – This finding was not repeated for June 30, 2022.