

Oldham County School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2020
With Independent Auditors' Report**

OLDHAM COUNTY SCHOOL DISTRICT

June 30, 2020

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Independent Auditors' Report

To the Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

Report on the Financial Statements

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 Oldham County School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Oldham County School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Oldham County School District, as of June 30, 2020, 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.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, effective as of July 1, 2019. The implementation of this accounting standard resulted in a restatement of prior year net position. Our opinion is not modified with respect to this matter.

**Independent Auditors' Report
(Continued)**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 3-8, 53-55, and 65-74 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldham County School District's basic financial statements. The combining and individual nonmajor fund financial statements and statement of receipts and disbursements of bonds 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds 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 January 20, 2021 on our consideration of the Oldham County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oldham County School District's internal control over financial reporting and compliance.



Crestview Hills, Kentucky
January 20, 2021

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2020

As management of the Oldham County School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

Overview

Oldham County Schools' student attendance was 11,620 students in the 2019-2020 fiscal year. Over the last five years the District's membership has grown by almost 4%. These students are instructed in 19 schools including 3 high schools (plus an alternative school and a career education center), 4 middle schools, 9 elementary schools, a preschool, and an arts center.

As of the year ended June 30, 2020, the Oldham County Board of Education sustained a stable financial status attributed to conservative spending practices. It is evident the Board has effectively and efficiently managed the resources and at the same time continues to make progress toward education proficiency.

Revenue

The General Fund recognized \$117.2 million in revenue consisting primarily of local property, utility, and motor vehicle taxes and the State allocation (SEEK). Included in this amount is \$32.8 million representing payments made on the District's behalf, by the State, for teachers' retirement contributions, employees' health insurances, technology services, and debt service was recognized as revenue.

The District recognized \$3.6 million in utility taxes. This permissive tax accounts for 3.1% of general fund operating revenues, providing some relief in the funding gap created by the State's funding formula.

The District levied FY20 property tax rates of 78.8 cents per \$100 assessed value of real estate and personal property, and 64.3 cents for motor vehicles per \$100 of assessed value, along with a 3% utility tax. These tax rates remained the same as for FY19. This property tax rate, along with increased property value assessments, generated approximately \$1.6 million of additional FY20 general property tax revenues.

For FY20, the State of Kentucky maintained its guaranteed base level of support per pupil SEEK funding at \$4,000. Total General Fund SEEK funding for FY20 decreased by \$1.3 million over that of FY19, despite an AADA gain of 72 pupils, as a result of increased property values figuring into the State's funding formula.

The District administered over \$4.8 million in Federal, State and local grants and other programs during the year. An additional \$2.4 million was administered in the Child Nutrition programs.

Expenditures

General Fund expenditures were \$121.7 million. Salaries and related costs total \$107.5 million or 88% of the general operating expenditures. Included in this amount is \$32.8 million in teachers' retirement contributions, employees' health insurances, technology services, and debt service payments made by the State.

The District is currently operating under a bus fleet replacement plan reflecting a purchase of 6 new buses annually at an approximate cost of \$690,000.

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2020 (Continued)

FINANCIAL HIGHLIGHTS (Continued)

The District's Technology plan outlines goals to cover Network, Server and Audio/Video Infrastructure lifecycles. Based upon Gartner research data and current vendor End of Life policies, the district has determined a "Useful Life Schedule" for new equipment. Barring any significant expansion or new demands on the infrastructure, the District has budgeted \$1.6 million each year to refresh portions of a particular equipment within its useful life schedule. This includes infrastructure for roughly 900 classrooms' audio/video, wireless and wired networking; core and distribution networking; data center networking; and production and security servers.

During FY20, the District implemented its annual salary step increase for employees, continued proactive funding for technology upgrades, and began programs to increase funding of school Admissions and Release Committee (ARC) chairs and psychologists, as noted below.

The District continues its focus on the whole child and has increased its expenditures in this area to provide additional staffing to assist the schools in managing students' emotional and behavioral needs, as well as their academic needs. While prior years initiated a focus on safety with the increase of School Security Officers and school nurses, FY20 focused on mental health plans to enable our schools to reach the needs of all our students better than ever. To this end, we hired additional Admissions and Release Committee (ARC) chairs to free up time for guidance counselors to have more interaction with students and hired Psychologists to assist with students' mental health.

Construction

The District's major construction project begun in FY19—the renovation and additions made at the 1988 Camden Station Elementary School—was largely complete in FY20. Students began their school year in the renovated building with an updated look and new opportunities for them to explore. The renovation included a new safe schools entrance, an addition for administrative staff, a new performance stage, an updated cafeteria, a maker space and a new media center. The classroom wings were completely renovated with a next-century layout with multiple teaching and learning environments, new technology, interactive touch screens and energy-saving daylight devices. This was funded with a bond issuance in the prior fiscal year in the amount of \$13.74 million.

With students and teachers out of the buildings beginning in March 2020 for remote learning due to the covid pandemic, construction proceeded at an accelerated pace. Projects included:

- Completion of 2 roof renovations and the start of 2 more
- Central Office renovation
- For South Oldham High School, due for its 30-year renovation, construction began for a safe schools entrance, new administrative and guidance suites, and a gymnasium renovation with HVAC, in addition to upgrades to the athletics facilities. This is budgeted at \$7.2 million and will be funded by District and private contributions. Phase Two will include further renovations and construction of additional classroom spaces.
- North Oldham Middle School Heating Ventilation and Air Conditioning system renovation and replacement, budgeted at \$ 3.5 million, will replace the 1979 HVAC and refrigeration systems as well as the boiler, chiller, and main electrical switch gear.
- Buckner Elementary School classroom addition, budgeted at \$4.1 million, to build 4 classrooms to accommodate 100-700 students.

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2020 (Continued)

FINANCIAL HIGHLIGHTS (Continued)

Proprietary Funds

The District operates two business-type, or proprietary, funds: Food Service and Child Daycare operations. Business-type activities are supported primarily through charges for goods or services and are expected to be self-sufficient. With the covid pandemic and the State requirement for districts to move to remote learning in March 2020, services (and therefore charges) were halted or significantly reduced in both Food Service and Child Daycare and yet we were contractually obligated to continue paying salaries to our employees. While both funds took significant losses (approximately \$600k apiece prior to pension and OPEB activity), prior years of conservative fiscal management in both of the businesses allow them to continue to have reserves to sustain them into the next fiscal year as the pandemic continues.

Academics

The District continues to be recognized throughout Kentucky as one of the top school districts in the State. Our students continue to achieve above average scores on standardized tests and, along with the District and its teachers, have received state and national recognition as evidenced by the following rankings and awards:

- Average ACT scores of 21.9 (state average of 19.0)
- Graduation rate of 97.0% (state average of 91.1%)
- National Merit semi-finalists (10)

Due to its history of outstanding instructional achievements, the District has been one of the fastest growing Kentucky school districts for many years. Although the District continues to place among the highest academically achieving districts, the annual enrollment growth has slowed from prior years. The FY20 second month enrollment increased by 29 students over that of FY19, from 12,555 to 12,584 students.

Future Budgetary Considerations

As part of its overall long-term financial plan, the District strives to be a good steward of its public funding and continually monitors its budget and operations to provide an exceptional education for students, fair compensation for employees, and to request a tax rate increase only when necessary.

By law, Kentucky School Districts must maintain a minimum general fund contingency 2%. The Oldham County School District adopted its FY20 Working Budget with a general fund contingency of \$10.7 million. As with any projection, circumstances that could affect the Working Budget and related contingency are likely to occur. Examples of circumstances that could affect the projected contingency balance include changes in projected Federal and State funding, assessed property values and estimated tax collection rates, pension fund reform, unexpected expenditures, student transportation acquisitions and funding of new educational initiatives. The Board continually monitors this contingency to assure its adequacy in association with the fiscal operations of the District.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements, tables, and notes to those statements. The statements are organized so the reader can understand Oldham County School District as a financial whole, or by individual operating entity/fund.

Governmental Accounting Standards Board Statement 34 established financial reporting standards for state and local governments, including school districts. Government entities are required to present a series of financial statements and supporting discussion, to include:

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2020 (Continued)

USING THIS ANNUAL REPORT (Continued)

- 1) Management's discussion and analysis (MD&A)
- 2) Basic financial statements, to include:
 - a. District-wide financial statements, with distinctions between governmental and business-type activities
 - b. Fund financial statements, with distinctions between each of the major and non-major funds and the fiduciary funds
 - c. A reconciliation or cross-walk from the fund financial statements to the district-wide financial statements
- 3) Required supplementary information, including budgetary comparisons.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Assets, liabilities, deferred inflows/outflows, revenues, and expenses are reported using the full accrual basis of accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The required reports for district-wide financial statements, the Statement of Net Position and the Statement of Activities, provide information about the activities of the whole school district, presenting an aggregate long-term view of the school district's finances. These statements consolidate the various funds used by the school district for providing programs and activities to show how the school district as a whole performed financially during the current fiscal year.

The statements report the school district's net position and changes in it from the previous year's net position. This change is important because it identifies whether the net financial position of the school district has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

Government Activities – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities. Funding is provided or levied primarily from government sources.

Business-type Activities – The District's food service and child daycare operations are reported as business activities. Funding for these services is provided through charges for goods or services used to recover all of the expenses of the goods or services provided. This activity is designated as proprietary funds in the fund financial statements.

Fund financial statements. A fund is a grouping of accounts that is used to maintain control over resources that have been segregated for specific purposes. The state mandates uniform fund accounting structure and charts of accounts utilizing MUNIS financial software for all Kentucky public school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements are prepared using the modified accrual basis of accounting.

Fund financial statements provide a different type of segregation of the District's financial activities than do the district-wide financial statements – by Fund. These fund statements tell how services were financed in the fiscal year as well as what remains for future short-term spending, for each of the funds. For Oldham County School District, the General Fund is the most significant fund.

OLDHAM COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A - Unaudited)
Year Ended June 30, 2020
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. The proprietary funds, also known as business-type activities in the district-wide reports, consist of food service and child daycare operations. The District's fiduciary funds are held by the district in a trustee capacity for external entities (i.e.: scholarship funds). The District's student activity funds held for student groups, which were considered fiduciary prior to GASB 84, are now grouped with the governmental funds. All other activities of the District are included in the governmental funds.

Net Position for the periods ending June 30, 2020 and 2019

The following is a summary of net position for the fiscal years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Current assets	\$ 47,463,405	\$ 54,773,746
Noncurrent assets	<u>236,944,270</u>	<u>233,966,607</u>
Total assets	<u>284,407,675</u>	<u>288,740,353</u>
Deferred outflows	21,575,362	18,989,255
Current liabilities	17,146,616	16,505,149
Noncurrent liabilities	<u>218,994,435</u>	<u>228,156,910</u>
Total liabilities	<u>236,141,051</u>	<u>244,662,059</u>
Deferred inflows	13,122,806	7,568,444
Net position		
Investment in capital assets (net of debt)	91,082,896	77,516,040
Restricted	15,050,537	19,269,564
Unrestricted	<u>(49,414,253)</u>	<u>(41,286,499)</u>
Total net position	<u>\$ 56,719,180</u>	<u>\$ 55,499,105</u>

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2020, were \$117,232,226, net of inter-fund transfers and sale of assets, of \$1,754,846 and \$8,199, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$3,090,071 more than budget or approximately 2.7% of General Fund Budget.
- General Fund actual expenditures were \$121,654,298, net of inter-fund transfers of \$136,905.
- General Fund actual expenditures were less than budgeted expenditures by \$13,429,265.

OLDHAM COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A - Unaudited)
Year Ended June 30, 2020
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues		
Charges for services	\$ 5,963,111	\$ 8,039,563
Operating grants	39,019,899	37,783,336
Capital grants	<u>179,322</u>	<u>95,034</u>
Total grant revenues	<u>45,162,332</u>	<u>45,917,933</u>
General Revenues		
Taxes	59,198,920	56,869,551
Grants and entitlements	44,495,414	46,251,747
Earnings on investments	397,798	398,821
Other local sources	<u>6,051,783</u>	<u>4,084,744</u>
Total general revenues	<u>110,143,915</u>	<u>107,604,863</u>
Total revenues	<u>155,306,247</u>	<u>153,522,796</u>
Expenses		
Instructional	93,139,017	85,840,477
Student support services	8,778,065	8,026,894
Staff support	5,856,793	6,017,579
District administration	2,166,967	2,214,344
School administration	7,848,047	7,632,257
Business support	4,747,580	3,377,400
Plant operations	10,160,590	11,968,693
Student transportation	7,977,433	7,838,743
Food service operation	5,063,350	5,217,935
Day care	2,854,639	3,562,443
Community service	112,923	110,086
Facilities	1,505,762	992,978
Interest on long-term debt	<u>4,811,042</u>	<u>5,077,279</u>
Total expenses	<u>155,022,208</u>	<u>147,877,108</u>
Change in net position	<u>\$ 284,039</u>	<u>\$ 5,645,688</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to reflect accountability for the monies received and expended.

Questions about this report, or additional financial information needs, should be directed to Superintendent Greg Schultz or Chief Financial Officer Stephanie Anderson at (502) 241-3500 or by mail, to Oldham County School District, 6165 West Highway 146, Crestwood, Kentucky 40014.

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Net Position – District Wide
June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and cash equivalents	\$ 42,802,383	\$ 2,523,766	\$ 45,326,149
Accounts receivable	1,559,823	242,588	1,802,411
Miscellaneous receivable	1,000	-	1,000
Interfund receivable	68,143	-	68,143
Prepaid expenses	74,400	-	74,400
Inventories for consumption	-	191,302	191,302
Total current	<u>44,505,749</u>	<u>2,957,656</u>	<u>47,463,405</u>
Noncurrent:			
Construction in progress	19,653,142	-	19,653,142
Nondepreciated capital assets:			
Land	12,579,402	-	12,579,402
Depreciated capital assets:			
Land improvements	4,269,126	-	4,269,126
Buildings and improvements	285,766,784	7,271,547	293,038,331
Furniture and equipment	28,994,513	1,808,723	30,803,236
Less: accumulated depreciation	<u>(119,449,193)</u>	<u>(3,949,774)</u>	<u>(123,398,967)</u>
Total noncurrent	<u>231,813,774</u>	<u>5,130,496</u>	<u>236,944,270</u>
Total assets	<u>276,319,523</u>	<u>8,088,152</u>	<u>284,407,675</u>
Deferred outflows			
Deferred loss from refunding bonds	3,248,583	-	3,248,583
Deferred outflows from pension and OPEB liabilities	<u>16,221,197</u>	<u>2,105,582</u>	<u>18,326,779</u>
Total deferred outflows	<u>19,469,780</u>	<u>2,105,582</u>	<u>21,575,362</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	9,960,000	-	9,960,000
Accounts payable	1,829,977	-	1,829,977
Accrued interest	1,160,860	-	1,160,860
Accrued sick and vacation leave	404,433	-	404,433
Accrued payroll and related expenses	2,769,040	-	2,769,040
Assessed KISBIT liability	9,220	-	9,220
Unearned revenues	944,943	-	944,943
Interfund payable	-	68,143	68,143
Total current	<u>17,078,473</u>	<u>68,143</u>	<u>17,146,616</u>
Noncurrent:			
Accrued sick and vacation leave	1,069,783	-	1,069,783
MIF net OPEB liability	36,552,729	1,624,847	38,177,576
CERS net pension liability	38,210,571	6,795,991	45,006,562
Bond obligations	<u>134,740,514</u>	<u>-</u>	<u>134,740,514</u>
Total noncurrent	<u>210,573,597</u>	<u>8,420,838</u>	<u>218,994,435</u>
Total liabilities	<u>227,652,070</u>	<u>8,488,981</u>	<u>236,141,051</u>
Deferred inflows	<u>12,196,300</u>	<u>926,506</u>	<u>13,122,806</u>
Net Position			
Invested in capital assets, net of related debt	85,952,400	5,130,496	91,082,896
Restricted	22,100,997	(7,050,460)	15,050,537
Unrestricted	<u>(52,112,464)</u>	<u>2,698,211</u>	<u>(49,414,253)</u>
Total net position	<u>\$ 55,940,933</u>	<u>\$ 778,247</u>	<u>\$ 56,719,180</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Activities – District Wide
For Year Ended June 30, 2020**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instructional	\$ 93,139,017	\$ 891,829	\$ 29,286,059	\$ -	\$ (62,961,129)	\$ -	\$ (62,961,129)	
Student support services	8,778,065	-	2,188,898	-	(6,589,167)	-	(6,589,167)	
Staff support services	5,856,793	-	1,942,801	-	(3,913,992)	-	(3,913,992)	
District administration	2,166,967	-	89,746	-	(2,077,221)	-	(2,077,221)	
School administration	7,848,047	-	1,036,935	-	(6,811,112)	-	(6,811,112)	
Business support services	4,747,580	-	421,814	-	(4,325,766)	-	(4,325,766)	
Plant operation and maintenance	10,160,590	-	627,936	-	(9,532,654)	-	(9,532,654)	
Student transportation	7,977,433	-	573,264	-	(7,404,169)	-	(7,404,169)	
Daycare operations	111,530	-	99,338	-	(12,192)	-	(12,192)	
Community service operations	112,923	-	93,000	-	(19,923)	-	(19,923)	
Facility acquisition and construction	1,505,762	-	-	-	(1,505,762)	-	(1,505,762)	
Interest on long-term debt	4,811,042	-	-	179,322	(4,631,720)	-	(4,631,720)	
Total governmental activities	147,215,749	891,829	36,359,791	179,322	(109,784,807)	-	(109,784,807)	
Business-type activities								
Food service	5,063,350	2,250,586	2,384,904	-	-	(427,860)	(427,860)	
Daycare	2,743,109	2,820,696	275,204	-	-	352,791	352,791	
Total business-type activities	7,806,459	5,071,282	2,660,108	-	-	(75,069)	(75,069)	
Total school district	\$ 155,022,208	\$ 5,963,111	\$ 39,019,899	\$ 179,322	(109,784,807)	(75,069)	(109,859,876)	
General revenues:								
					59,198,920	-	59,198,920	
					44,495,414	-	44,495,414	
					376,155	21,643	397,798	
					106,478	-	106,478	
					4,827,605	-	4,827,605	
					1,148,597	-	1,148,597	
					Special items:			
					(30,897)	-	(30,897)	
					1,475,865	(1,475,865)	-	
					111,598,137	(1,454,222)	110,143,915	
					Change in net position	1,813,330	(1,529,291)	284,039
					Net position - beginning	53,191,567	2,307,538	55,499,105
					Net position adjustment (Note 17)	936,036	-	936,036
					Net position - ending	\$ 55,940,933	\$ 778,247	\$ 56,719,180

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Balance Sheet – Governmental Funds
As of June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ 18,889,024	\$ 249,235	\$ 12,399,155	\$ 4,812,815	\$ 6,452,154	\$ 42,802,383
Interfund receivable	68,143	-	-	-	-	68,143
Accounts receivable	806,271	709,848	-	-	43,704	1,559,823
Miscellaneous receivable	-	1,000	-	-	-	1,000
Prepaid expenses	74,400	-	-	-	-	74,400
Total assets	<u>\$ 19,837,838</u>	<u>\$ 960,083</u>	<u>\$ 12,399,155</u>	<u>\$ 4,812,815</u>	<u>\$ 6,495,858</u>	<u>\$ 44,505,749</u>
Liabilities and Fund Balances						
Liabilities						
Current:						
Accounts payable	\$ 203,029	\$ 15,140	\$ 1,455,244	\$ -	\$ 156,564	\$ 1,829,977
Unearned revenue	-	944,943	-	-	-	944,943
Current portion of accrued sick leave	404,433	-	-	-	-	404,433
Accrued payroll and related expenses	2,769,040	-	-	-	-	2,769,040
Total liabilities	<u>3,376,502</u>	<u>960,083</u>	<u>1,455,244</u>	<u>-</u>	<u>156,564</u>	<u>5,948,393</u>
Fund Balances						
Nonspendable	74,400	-	-	-	-	74,400
Restricted:						
Capital projects	-	-	10,943,911	4,812,815	3,542,757	19,299,483
Other	-	-	-	-	2,801,514	2,801,514
Assigned:						
Site based carryforward	447,137	-	-	-	-	447,137
Purchase obligations	89,694	-	-	-	-	89,694
Future obligations	-	-	-	-	(4,977)	(4,977)
Unassigned	15,850,105	-	-	-	-	15,850,105
Total fund balances	<u>16,461,336</u>	<u>-</u>	<u>10,943,911</u>	<u>4,812,815</u>	<u>6,339,294</u>	<u>38,557,356</u>
Total liabilities and fund balances	<u>\$ 19,837,838</u>	<u>\$ 960,083</u>	<u>\$ 12,399,155</u>	<u>\$ 4,812,815</u>	<u>\$ 6,495,858</u>	<u>\$ 44,505,749</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2020**

Total governmental fund balance		\$ 38,557,356
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	19,653,142	
Cost of capital assets	331,609,825	
Accumulated depreciation	<u>(119,449,193)</u>	231,813,774
Deferred outflows related to CERS	5,578,551	
Deferred outflows for CERS contributions made after the measurement date	2,804,833	
Deferred outflows for MIF contributions made after the measurement date	2,703,290	
Deferred outflows related to MIF	5,134,523	
Deferred outflows for bond refinancing	<u>3,248,583</u>	19,469,780
Deferred inflows related to CERS	(1,792,989)	
Deferred inflows related to MIF	<u>(10,403,311)</u>	(12,196,300)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(140,115,000)
Bond discount		900,919
Bond premium		(5,486,433)
Accrued interest on bonds		(1,160,860)
Assessed KISBIT liability		(9,220)
Net pension liability		(38,210,571)
Net OPEB liability		(36,552,729)
Accrued sick leave		<u>(1,069,783)</u>
Total net position - governmental		<u>\$ 55,940,933</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2020**

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 44,980,743	\$ -	\$ -	\$ 14,218,177	\$ -	\$ 59,198,920
Earnings on investments	208,879	-	34,486	95,788	37,002	376,155
State sources	70,832,061	1,508,769	-	3,587,790	1,634,155	77,562,775
Federal sources	382,915	3,087,837	-	-	-	3,470,752
Other local sources	827,628	171,681	-	-	5,976,202	6,975,511
Total revenues	117,232,226	4,768,287	34,486	17,901,755	7,647,359	147,584,113
Expenditures						
Instructional	80,589,068	2,353,548	-	-	4,760,866	87,703,482
Student support services	6,991,491	1,309,145	-	-	-	8,300,636
Staff support services	4,319,292	1,314,958	-	-	141,508	5,775,758
District administration	1,805,507	-	-	213,788	-	2,019,295
School administration	7,497,568	-	-	-	-	7,497,568
Business support services	4,468,546	-	-	-	-	4,468,546
Plant operation and maintenance	8,490,839	-	-	-	140,980	8,631,819
Student transportation	6,751,323	-	-	-	177,800	6,929,123
Daycare operations	-	99,338	-	-	-	99,338
Community service operations	4,868	87,743	-	-	-	92,611
Facility acquisition and construction	735,796	-	9,557,074	-	-	10,292,870
Debt service:						
Principal	-	-	-	-	9,770,000	9,770,000
Interest	-	-	-	-	4,990,366	4,990,366
Total expenditures	121,654,298	5,164,732	9,557,074	213,788	19,981,520	156,571,412
Excess (deficit) of revenues over expenditures	(4,422,072)	(396,445)	(9,522,588)	17,687,967	(12,334,161)	(8,987,299)
Other financing sources (uses)						
Proceeds from sale of assets	8,199	-	-	-	-	8,199
Operating transfers in	1,754,846	401,701	13,338,159	-	16,694,208	32,188,914
Operating transfers out	(136,905)	(5,256)	(652,770)	(25,072,453)	(4,845,665)	(30,713,049)
Total other financing sources (uses)	1,626,140	396,445	12,685,389	(25,072,453)	11,848,543	1,484,064
Net change in fund balance	(2,795,932)	-	3,162,801	(7,384,486)	(485,618)	(7,503,235)
Fund balance, July 1, 2019	19,257,268	-	7,781,110	12,197,301	5,888,876	45,124,555
Net position adjustment (Note 17)	-	-	-	-	936,036	936,036
Fund balance, June 30, 2020	\$ 16,461,336	\$ -	\$ 10,943,911	\$ 4,812,815	\$ 6,339,294	\$ 38,557,356

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020**

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

Net changes-governmental funds		\$ (7,503,235)
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(9,169,142)	
Capital outlays	12,212,068	
Retirement of capital assets	<u>(39,096)</u>	
		3,003,830
<p>Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Bond principal paid		9,770,000
Amortization of bond refinancing		(639,871)
Amortization of bond discount and premium, net		761,720
Changes in non-current accrued sick and vacation leave		(113,464)
Accrued bond interest payable		57,473
Deferred outflows related to pensions		323,835
Deferred outflows related to other post-retirement employee benefits		2,834,823
Deferred inflows related to pensions		902,616
Deferred inflows related to other post-retirement employee benefits		(6,400,303)
Changes in CERS net pension liability		(5,081,259)
Changes in MIF net OPEB liability		3,887,943
Multi-employer insurance trust liability is reported as an expense		9,222
Changes in net position of governmental activities		<u>\$ 1,813,330</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Net Position
– Proprietary Funds
As of June 30, 2020**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents	\$ 1,157,378	\$ 1,366,388	\$ 2,523,766
Accounts receivable	242,588	-	242,588
Inventories for consumption	191,302	-	191,302
Total current	<u>1,591,268</u>	<u>1,366,388</u>	<u>2,957,656</u>
Noncurrent			
Buildings and Improvements	7,271,547	-	7,271,547
Furniture and Fixtures	1,808,723	-	1,808,723
Less: accumulated depreciation	<u>(3,949,774)</u>	<u>-</u>	<u>(3,949,774)</u>
Total noncurrent	<u>5,130,496</u>	<u>-</u>	<u>5,130,496</u>
Total assets	<u>6,721,764</u>	<u>1,366,388</u>	<u>8,088,152</u>
Deferred outflows	<u>1,015,230</u>	<u>1,090,352</u>	<u>2,105,582</u>
Liabilities and Net Position			
Liabilities			
Current			
Interfund payable	<u>-</u>	<u>68,143</u>	<u>68,143</u>
Total current	<u>-</u>	<u>68,143</u>	<u>68,143</u>
Noncurrent			
MIF net OPEB liability	783,438	841,409	1,624,847
CERS net pension liability	3,276,764	3,519,227	6,795,991
Total noncurrent	<u>4,060,202</u>	<u>4,360,636</u>	<u>8,420,838</u>
Total liabilities	<u>4,060,202</u>	<u>4,428,779</u>	<u>8,488,981</u>
Deferred inflows	<u>446,725</u>	<u>479,781</u>	<u>926,506</u>
Net Position			
Invested in assets, net of debt	5,130,496	-	5,130,496
Restricted	(3,300,395)	(3,750,065)	(7,050,460)
Unrestricted	1,399,966	1,298,245	2,698,211
Total net position	<u>\$ 3,230,067</u>	<u>\$ (2,451,820)</u>	<u>\$ 778,247</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2020**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Operating revenues			
Lunchroom sales	\$ 2,249,502	\$ -	\$ 2,249,502
Other operating revenues	1,084	2,820,696	2,821,780
Total operating revenues	<u>2,250,586</u>	<u>2,820,696</u>	<u>5,071,282</u>
Operating expenses			
Salaries and benefits	2,435,480	2,224,077	4,659,557
Contract services	116,116	57,425	173,541
Materials and supplies	2,310,556	207,427	2,517,983
Depreciation	175,810	-	175,810
Other operating expenses	25,388	254,180	279,568
Total operating expenses	<u>5,063,350</u>	<u>2,743,109</u>	<u>7,806,459</u>
Operating income (loss)	<u>(2,812,764)</u>	<u>77,587</u>	<u>(2,735,177)</u>
Nonoperating revenues (expenses)			
Federal grants	1,804,974	-	1,804,974
State grants	47,952	-	47,952
On-behalf revenues	256,626	275,204	531,830
Donated commodities and other donations	275,352	-	275,352
Transfers in	27,321	-	27,321
Transfers out	(197,098)	(1,306,088)	(1,503,186)
Interest income	10,262	11,381	21,643
Total nonoperating revenues	<u>2,225,389</u>	<u>(1,019,503)</u>	<u>1,205,886</u>
Change in net position	<u>(587,375)</u>	<u>(941,916)</u>	<u>(1,529,291)</u>
Total net position, July 1, 2019	<u>3,817,442</u>	<u>(1,509,904)</u>	<u>2,307,538</u>
Total net position, June 30, 2020	<u>\$ 3,230,067</u>	<u>\$ (2,451,820)</u>	<u>\$ 778,247</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2020**

	Food Service Fund	Daycare Fund	Total
Cash flows from operating activities			
Cash received from lunchroom sales	\$ 2,249,502	\$ -	\$ 2,249,502
Cash received from (used in) other activities	(31,315)	2,820,696	2,789,381
Cash payments to employees for services	(2,119,230)	(2,210,349)	(4,329,579)
Cash payments to suppliers for goods and services	(2,491,920)	(544,057)	(3,035,977)
Cash transfers	<u>(197,098)</u>	<u>(1,306,088)</u>	<u>(1,503,186)</u>
Net cash used in operating activities	<u>(2,590,061)</u>	<u>(1,239,798)</u>	<u>(3,829,859)</u>
Cash flows from capital financing activities			
Purchase of capital assets	<u>(149,643)</u>	<u>-</u>	<u>(149,643)</u>
Cash flows from noncapital financing activities			
Non-operating revenues received	<u>2,412,225</u>	<u>275,204</u>	<u>2,687,429</u>
Cash flows from investing activities			
Interest on investments	<u>10,262</u>	<u>11,381</u>	<u>21,643</u>
Net decrease in cash and cash equivalents	(317,217)	(953,213)	(1,270,430)
Cash and cash equivalents - beginning	<u>1,474,595</u>	<u>2,319,601</u>	<u>3,794,196</u>
Cash and cash equivalents - ending	<u>\$ 1,157,378</u>	<u>\$ 1,366,388</u>	<u>\$ 2,523,766</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating income (loss)	\$ (2,812,764)	\$ 77,587	\$ (2,735,177)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	175,810	-	175,810
Transfers	(197,098)	(1,306,088)	(1,503,186)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(32,399)	1,572	(30,827)
(Decrease) in accounts payable	-	(25,025)	(25,025)
Increase in interfund payables	-	68,143	68,143
Decrease in deferred outflows	(88,157)	20,837	(67,320)
Increase in deferred inflows	51,095	5,580	56,675
(Decrease) in MIF net OPEB liability	(53,256)	(161,453)	(214,709)
Increase in CERS net pension liability	406,568	79,049	485,617
(Increase) in inventories	<u>(39,860)</u>	<u>-</u>	<u>(39,860)</u>
Net cash used in operating activities	<u>\$ (2,590,061)</u>	<u>\$ (1,239,798)</u>	<u>\$ (3,829,859)</u>
Schedule of non-cash transactions:			
Donated commodities received from federal government	\$ 275,352	\$ -	\$ 275,352
On behalf payments	\$ 256,626	\$ 275,204	\$ 531,830

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Fiduciary Net Position
As of June 30, 2020**

	<u>Fiduciary Funds</u>
Assets	
Cash and cash equivalents	\$ 4,931
Investments	<u>1,623</u>
Total assets	<u><u>6,554</u></u>
Net Position	
Restricted - other	<u>6,554</u>
Total net position	<u><u>\$ 6,554</u></u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020

	<u>Fiduciary Funds</u>
Additions	
Net interest and investment gains	\$ 84
Deductions	
Business support services	195
Community services	<u>3,000</u>
Total deductions	<u>3,195</u>
Net change in net position	(3,111)
Net position, July 1, 2019	<u>9,665</u>
Net position, June 30, 2020	<u>\$ 6,554</u>

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Oldham County Board of Education (Board), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Oldham 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 included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

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

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

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

Oldham County School District Finance Corporation - The Board authorized the establishment of the Oldham County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Oldham County Board of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

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

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of 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 on page 75. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (continued)

- (D) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
 2. 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.
 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$10,943,911 for ongoing projects.

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). The Food Service fund is a major fund of the District.

The Daycare Fund is used to support the daycare programs at the individual schools. These funds are used to support the resources needed to actively manage these programs.

IV. Fiduciary Fund Type (Agency and Trust Funds)

The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations).

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

Revenues – Exchange and Nonexchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year end.

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 the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the 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, revenues from nonexchange transactions must also be available before they can be recognized.

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

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

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Taxes

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement
(Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP of the United States of America. The major differences between the budgetary basis and the GAAP basis are:

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

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

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are recorded at the lower of cost or market.

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 district-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 district-wide statement of net position and in the respective funds.

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

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

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Unpaid Sick and Vacation Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's experience of making termination payments. The entire compensated absence liability is reported on the district-wide financial statements.

Prepaid Expenses/Expenditures

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for purpose; positive amounts are reported only in the General fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet.

Net Position

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

Operating Revenues and Expenses

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and additions to deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefits 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.

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks' trust departments in the District's name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Land	\$ 12,579,402	\$ -	\$ -	\$ 12,579,402
Land improvements	4,269,126	-	-	4,269,126
Buildings and improvements	282,196,316	875,537	-	283,071,853
Technology equipment	7,220,492	1,373,886	415,186	8,179,192
Vehicles	15,864,492	964,222	-	16,828,714
General equipment	3,845,760	150,352	9,505	3,986,607
Infrastructure	2,694,931	-	-	2,694,931
Construction work in progress	10,805,071	10,384,976	1,536,905	19,653,142
Totals at historical cost	<u>339,475,590</u>	<u>13,748,973</u>	<u>1,961,596</u>	<u>351,262,967</u>
Less: accumulated depreciation				
Land improvements	1,936,188	145,323	-	2,081,511
Buildings and improvements	87,613,749	7,118,145	-	94,731,894
Technology equipment	5,567,221	565,774	381,483	5,751,512
Vehicles	11,978,445	993,701	(4,449)	12,976,595
General equipment	2,168,002	212,176	8,561	2,371,617
Infrastructure	1,402,041	134,023	-	1,536,064
Total accumulated depreciation	<u>110,665,646</u>	<u>9,169,142</u>	<u>385,595</u>	<u>119,449,193</u>
Governmental activities capital assets - net	<u>\$ 228,809,944</u>	<u>\$ 4,579,831</u>	<u>\$ 1,576,001</u>	<u>\$ 231,813,774</u>
 <u>Business - Type Activities</u>				
General equipment	\$ 1,651,007	\$ 128,858	\$ 28,100	\$ 1,751,765
Buildings and improvements	7,271,547	-	-	7,271,547
Vehicles	22,624	20,785	-	43,409
Technology equipment	13,549	-	-	13,549
Totals at historical cost	<u>8,958,727</u>	<u>149,643</u>	<u>28,100</u>	<u>9,080,270</u>
Less: accumulated depreciation				
General equipment	1,437,467	31,146	28,100	1,440,513
Buildings and improvements	2,328,436	142,931	-	2,471,367
Vehicles	22,624	1,733	-	24,357
Technology equipment	13,537	-	-	13,537
Total accumulated depreciation	<u>3,802,064</u>	<u>175,810</u>	<u>28,100</u>	<u>3,949,774</u>
Business - type activities capital assets - net	<u>\$ 5,156,663</u>	<u>\$ (26,167)</u>	<u>\$ -</u>	<u>\$ 5,130,496</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2020 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 6,098,666	\$ -
Staff support services	605	-
District administration	72,244	-
School administration	219	-
Business support services	85	-
Plant operation and maintenance	1,903,304	-
Food service	-	175,810
Student transportation	1,094,019	-
Total	<u>\$ 9,169,142</u>	<u>\$ 175,810</u>

NOTE 5 ACCUMULATED UNPAID SICK AND VACATION LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave.

The compensated absence liability for both sick and vacation leave benefits is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of accrued sick and vacation leave is the amount expected to be paid using expendable available resources. This amount is recorded in the accumulated leave payable account in the General Fund. The non-current portion of the liability is not reported.

A summary of the changes in the estimated accrued sick and vacation leave benefits during the fiscal year ended June 30, 2020 is as follows:

Balance as of June 30, 2019	\$ 1,343,132
Additions/increases to estimate	322,122
Less payments of sick hours at retirement	<u>(191,038)</u>
Balance as of June 30, 2020	1,474,216
Less current portion	<u>404,433</u>
Non-current portion	<u>\$ 1,069,783</u>

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>
January 1, 2008	\$ 7,335,000	3.00% - 3.35%
February 1, 2010	8,445,000	1.20% - 3.00%
August 1, 2010	3,980,000	0.50% - 2.70%
January 1, 2011	3,050,000	1.00% - 4.30%
December 1, 2011	5,245,000	1.00% - 2.50%
September 1, 2012	6,540,000	2.00% - 4.00%
July 16, 2012	17,820,000	2.00%
August 1, 2012	13,035,000	2.00% - 2.40%
August 1, 2013	10,360,000	3.88%
March 26, 2015	18,465,000	2.00% - 4.00%
March 1, 2016	28,965,000	2.00% - 5.00%
September 8, 2016	15,565,000	2.00% - 4.00%
September 8, 2016	33,485,000	0.05% - 4.00%
September 5, 2018	13,740,000	3.00% - 3.50%

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Oldham County School District Finance Corporation to construct school facilities.

The District entered into "participation agreements" for certain bonds with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 16 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 has been recorded in the financial statements.

All issues 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, 2020 for debt service (principal and interest) are reported in Note 16.

NOTE 7 RETIREMENT PLANS

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement
(Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years’ service and hire date multiplied by the average of the highest five years’ earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. One month’s service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent’s beneficiary will receive the higher of the normal death benefit and \$10,000 plus 75% of the decedent’s monthly average rate of pay. If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent’s monthly average. Any dependent child will receive 50% of the decedent’s monthly final rate of pay up to 75% for all dependent children. Five years’ service is required for nonservice-related disability benefits.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement
(Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Contributions

Required contributions by the employee are based on the following tier:

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

The contribution requirement for CERS for the year ended June 30, 2020, was \$5,039,958, which consisted of \$4,103,639 from the District and \$936,319 from the employees. Total contributions for the year ended June 30, 2019 and 2018 were \$6,109,787 and \$5,835,238, respectively. The contributions have been contributed in full for fiscal years 2020, 2019 and 2018.

General information about the Teachers' Retirement System of the State of Kentucky

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—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. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky Revised Statutes and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

Benefits provided

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

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

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided

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

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. The contribution requirement for TRS for the year ended June 30, 2020, was \$9,512,207, which consisted of \$1,983,686 from the District and \$7,528,521 from the employees. Total contributions for the year ended June 30, 2019 and 2018 were \$9,142,391 and \$8,940,852, respectively. The contributions have been contributed in full for fiscal years 2020, 2019 and 2018.

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

Medical Insurance Plan

Plan description

In addition to the pension benefits described above, KRS 161.675 requires TRS to provide post-employment healthcare benefits to eligible employees and dependents. The TRS Medical Insurance Fund (MIF) is a cost-sharing multiple employer defined benefit plan. 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.

To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund offers coverage to employees under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired employees and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

Funding policy

In order to fund the post-retirement healthcare benefit, 6.59% of the gross annual payroll of employees before July 1, 2008 is contributed. 3.75% is paid by member contributions, 0.16% is credited to the Commonwealth, and 3.00% is contributed by the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 45,006,562
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>242,291,849</u>
	<u><u>\$ 287,298,411</u></u>

The net pension liability for each plan was measured as of June 30, 2019, 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 for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2020, the District's proportion was 0.639930% percent.

For the year ended June 30, 2020, the District recognized pension expense of \$4,469,735 related to CERS. The District also recognized a reduction of expense of \$18,233,799 and a reduction of revenue of \$18,233,799 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2020, 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>
Difference between expected and actual experience	\$ 1,149,153	\$ 190,164
Net difference between projected and actual earnings on pension plan investments	863,949	1,589,474
Changes of assumptions	4,555,175	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,454	332,245
District contributions subsequent to the measurement date	<u>3,303,691</u>	<u>-</u>
Total	<u><u>\$ 9,874,422</u></u>	<u><u>\$ 2,111,883</u></u>

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 7 RETIREMENT PLANS (CONTINUED)

\$4,103,639 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 2,949,104
2022	1,039,926
2023	418,343
2024	51,475
2025	-

Actuarial assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	3.00%
Projected salary increases	3.30%	3.5 - 7.3%
Investment rate of return, net of investment expense and inflation	6.25%	7.50%

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for disabled members was 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.

For TRS, Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 set forward two years for males and one year for females. The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 adopted by the Board on November 19, 2016.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding the expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

<u>Asset Class</u>	<u>KTRS Target Allocation</u>	<u>KTRS Long-Term Expected Real Rate of Return</u>	<u>CERS Target Allocation</u>	<u>CERS Long-Term Expected Real Rate of Return</u>
US equity	40.0%	4.20%	18.8%	4.30%
International equity	22.0%	5.20%	18.8%	4.80%
Core bonds			13.5%	1.35%
Private equity	7.0%	6.30%	10.0%	6.65%
High yield			15.0%	2.60%
Fixed income	15.0%	1.20%		
Additional categories	8.0%	3.30%		
Real estate	6.0%	3.80%	5.0%	4.85%
Opportunistic			3.0%	2.97%
Real return			15.0%	4.10%
Cash	2.0%	0.90%	1.0%	0.20%
Total	<u>100%</u>		<u>100%</u>	

Discount rate

For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For TRS, the discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates, adjusted by 95% 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.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 7 RETIREMENT PLANS (CONTINUED)

Sensitivity of CERS and KTRS proportionate share of net pension liability to changes in the discount rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 56,290,444	\$ 45,006,562	\$ 35,601,556
KTRS	6.50%	7.50%	8.50%
District's proportionate share of net 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 both CERS and TRS.

NOTE 8 OPEB PLANS

General information about the Teachers’ Retirement System OPEB Plan

Plan description

Teaching-certified employees of the Oldham County Schools are provided other post employment benefits (OPEB) 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 provided 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 Statues and therefore is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

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

Medical Insurance Plan

Plan description

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

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

In order to fund the post-retirement healthcare benefit, 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 and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

General information about the County Employees Retirement System Non-Hazardous OPEB Plan

Plan description

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

Benefits

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 7 for tier classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 7.

OLDHAM COUNTY SCHOOL DISTRICT

Notes to the Financial Statement
(Continued)

NOTE 8 OPEB PLANS (CONTINUED)

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

At June 30, 2020, the Oldham County Schools District reported a liability of \$38,177,576 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.936772% percent for TRS, which was an increase of 0.050% from its proportion measured as of June 30, 2018, and 0.639766% percent for CERS, which was a decrease of 0.008% from its proportion measured as of June 30, 2018.

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

District's proportionate share of the CERS net OPEB liability	\$ 10,760,576
District's proportionate share of the TRS net OPEB liability	27,417,000
State's proportionate share of the net OPEB liability associated with the District	<u>22,141,000</u>
	<u>\$ 60,318,576</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,548,880 and revenue of \$1,317,285 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual performance	\$ -	\$ 9,882,715
Net difference between projected and actual earnings on OPEB plan investments	186,879	548,816
Change of assumptions	3,913,154	21,292
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,526,000	558,100
District contributions subsequent to the measurement date	<u>2,826,324</u>	<u>-</u>
Total	<u><u>\$ 8,452,357</u></u>	<u><u>\$ 11,010,923</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,480,234 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2021	\$ (1,012,075)
2022	(1,012,075)
2023	(801,118)
2024	(1,103,118)
2025	(963,390)
Thereafter	(493,114)

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

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:

	TRS	CERS
Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.50 - 7.20%, including inflation	3.30% to 11.55%, varies by service
Inflation rate	3.00%	2.30%
Real Wage Growth	0.50%	
Wage Inflation	3.50%	
Healthcare cost trend rates		
Under 65	7.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2024	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.
Ages 65 and Older	5.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2021	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.
Medicare Part B Premiums	2.63% for FY 2019 with an ultimate rate of 5.00% by 2031	
Municipal Bond Index Rate	3.50%	3.13%
Discount Rate	8.00%	5.68%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation	

For TRS, mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

For CERS, mortality rates were based on RP-2000 Combined Mortality Table projected to 2013 with projection scale BB and set back 1 year for females.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 valuation.

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.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	58.0%	5.1%
Fixed Income	9.0%	1.2%
Real Estate	6.5%	3.8%
Private Equity	8.5%	6.3%
Other Additional Categories	17.0%	3.2%
Cash (LIBOR)	1.0%	0.9%
Total	<u>100.0%</u>	

Discount rate

For TRS, the discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

For CERS, the discount rate used to measure the total OPEB liability was 5.68%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the District's proportionate share of the collective 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:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
TRS			
Districts' net OPEB liability	\$ 32,479,000	\$ 27,417,000	\$ 23,178,000
	<u>1% Decrease (4.68%)</u>	<u>Current Discount Rate (5.68%)</u>	<u>1% Increase (6.68%)</u>
CERS			
Districts' net OPEB liability	\$ 14,414,745	\$ 10,760,576	\$ 7,749,784

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
TRS			
Districts' net OPEB liability	\$ 22,319,000	\$ 27,417,000	\$ 33,686,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 8,002,695	\$ 10,760,576	\$ 14,104,833

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.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit funded by the Life Insurance Fund (LIF) is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions

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

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

At June 30, 2020, the Oldham County Schools District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the District		514,000
	\$	514,000

For the year ended June 30, 2019, the District recognized OPEB expense of \$-0- and revenue of \$21,749 for support provided by the State.

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.50%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Municipal Bond Index Rate	3.89%
Discount Rate	7.50%
Single Equivalent Interest Rate	7.50%, net of OPEB plan investment expense, including inflation

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 valuation.

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
U.S. Large Cap Equity	40.0%	4.3%
International Equity	23.0%	5.2%
Fixed Income	18.0%	1.2%
Real Estate	6.0%	3.8%
Private Equity	5.0%	6.3%
Other Additional Categories	6.0%	3.2%
Cash (LIBOR)	2.0%	0.9%
Total	<u>100.0%</u>	

** As the LIF investment policy is to change, the above reflects the pension allocation and returns that achieve the target 7.5% long-term rate of return*

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Districts' net OPEB liability	\$ -	\$ -	\$ -

OPEB plan fiduciary net position

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

NOTE 9 COMMITMENTS AND CONTINGENCIES

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2020 may be impaired. 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 the programs.

NOTE 10 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 are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated, which includes workers' compensation insurance.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 11 RISK MANAGEMENT

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 errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days' notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District is self-insured for unemployment insurance benefits. The District reimburses the state for any claims paid. The District purchases workers' compensation insurance through the Kentucky School Boards Insurance Trust. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 DEFICIT OPERATING/FUND BALANCES

The District's Day Care Fund currently has a deficit fund balance of \$2,451,820. The reason for the deficit balance is due to the allocated net pension and OPEB liabilities to the Day Care Fund.

The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Building Fund	\$ 7,384,486
Capital Outlay Fund	705,959
General Fund	2,795,932
Food Service Fund	587,375
Day Care Fund	941,916
School activity funds:	
Oldham High School	23,539
East Oldham Middle School	12,011
South Oldham Middle School	1,908
Camden Elementary	2,262
Centerfield Elementary	158
Locust Grove Elementary	5,781

NOTE 13 COBRA

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

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Building	Debt Service	Debt Service	\$ 14,291,457
Building	Construction	Construction	10,780,996
Capital Outlay	Construction	Construction	1,904,393
School Activities	District Activities	School Activity	2,402,751
Day Care	General	Operating	1,284,430
Day Care	Special Revenue	Technology matching	21,658
Construction	Construction	Reallocation	652,770
District Activities	General	Operating	268,061
District Activities	Special Revenue	Technology matching	270,460
Food Service	General	Indirect Cost	197,098
General	Special Revenue	Technology matching	104,584
General	Food Service	Operating	27,321
General	Special Revenue	Community Education	5,000
Special Revenue	General	Indirect Cost	5,256

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2020 total payments of \$32,762,921 were made for life insurance, health insurance, KTRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

Retirement contribution to TRS	\$ 18,233,799
Other post-employment benefits	1,339,034
Health insurance and other payroll-related payments	12,531,902
Technology	189,277
Debt service	<u>468,909</u>
Total On-Behalf	<u>\$ 32,762,921</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2008-REF, 2010-REF, 2010B-REF, 2011, 2011-REF, 2012, 2012-REF, 2012B-REF, 2013, 2015, 2016-REF, 2016, 2016B-REF, AND 2018 ISSUES

FISCAL YEAR	OLDHAM COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2020-2021	\$ 9,626,055	\$ 4,670,236	\$ 14,296,291	\$ 333,945	\$ 100,377	\$ 434,322	\$ 14,730,613
2021-2022	9,907,090	4,402,207	14,309,297	342,910	91,412	434,322	14,743,619
2022-2023	10,187,617	4,124,443	14,312,060	352,383	81,939	434,322	14,746,382
2023-2024	10,456,799	3,854,203	14,311,002	328,201	72,398	400,599	14,711,601
2024-2025	10,688,454	3,623,779	14,312,233	161,546	64,266	225,812	14,538,045
2025-2026	11,172,491	3,137,705	14,310,196	167,509	58,304	225,813	14,536,009
2026-2027	11,695,233	2,619,911	14,315,144	174,767	51,977	226,744	14,541,888
2027-2028	12,498,611	1,903,518	14,402,129	176,389	45,417	221,806	14,623,935
2028-2029	6,050,835	1,607,726	7,658,561	169,165	38,986	208,151	7,866,712
2029-2030	6,219,436	1,428,146	7,647,582	175,564	32,586	208,150	7,855,732
2030-2031	6,367,755	1,237,135	7,604,890	182,245	25,905	208,150	7,813,040
2031-2032	6,495,776	1,028,483	7,524,259	189,224	18,927	208,151	7,732,410
2032-2033	6,613,531	817,045	7,430,576	196,469	11,675	208,144	7,638,720
2033-2034	6,232,388	608,883	6,841,271	157,612	5,013	162,625	7,003,896
2034-2035	5,863,663	409,709	6,273,372	36,337	1,454	37,791	6,311,163
2035-2036	2,420,000	186,088	2,606,088	-	-	-	2,606,088
2036-2037	2,650,000	105,788	2,755,788	-	-	-	2,755,788
2037-2038	895,000	48,213	943,213	-	-	-	943,213
2038-2039	930,000	16,275	946,275	-	-	-	946,275
	<u>\$ 136,970,734</u>	<u>\$ 35,829,493</u>	<u>\$ 172,800,227</u>	<u>\$ 3,144,266</u>	<u>\$ 700,636</u>	<u>\$ 3,844,902</u>	<u>\$ 176,645,129</u>

A summary of the changes in the principal of the outstanding bond obligations for the District during the year ended June 30, 2020 is as follows:

Governmental Activities	Balance	Additions	Payments	Balance
	July 1, 2019			June 30, 2020
Bond Obligations	\$ 149,885,000	\$ -	\$ 9,770,000	\$ 140,115,000
Bond Premium	\$ 6,405,264	\$ -	\$ 918,831	\$ 5,486,433
Bond Discount	\$ (1,058,030)	\$ -	\$ (157,111)	\$ (900,919)

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2019, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement no. 84 "Fiduciary Activities", as it relates to accounting and financial reporting for fiduciary funds. As a result of this statement, school activity funds are considered governmental special revenue funds and not fiduciary funds.

GASB 84 required retrospective application. Since the District only presents one year of financial information, the beginning net position balance was adjusted to reflect the retrospective application. The adjustment resulted in a \$936,036 addition in the beginning net position on the Statement of Activities.

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Financial Statement
(Continued)**

NOTE 18 SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused disruption through limited district activities. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. At this time, the District is uncertain on the disruption's impact on its operating results.

Subsequent events were considered through January 20, 2021, which represents the release date of our report.

SUPPLEMENTARY
INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT

**Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2020**

	<u>Capital Outlay Fund</u>	<u>District Activity Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
Assets					
Current:					
Cash and cash equivalents	\$ 3,542,757	\$ 1,964,736	\$ -	\$ 944,661	\$ 6,452,154
Accounts receivable	-	-	-	43,704	43,704
Total assets	<u>\$ 3,542,757</u>	<u>\$ 1,964,736</u>	<u>\$ -</u>	<u>\$ 988,365</u>	<u>\$ 6,495,858</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ 122,719	\$ -	33,845	\$ 156,564
Total liabilities	-	<u>122,719</u>	-	<u>33,845</u>	<u>156,564</u>
Fund Balances:					
Restricted:					
Capital projects fund	3,542,757	-	-	-	3,542,757
Other	-	1,846,994	-	954,520	2,801,514
Assigned:					
Future obligations	-	(4,977)	-	-	(4,977)
Total fund balances	<u>3,542,757</u>	<u>1,842,017</u>	<u>-</u>	<u>954,520</u>	<u>6,339,294</u>
Total liabilities and fund balances	<u>\$ 3,542,757</u>	<u>\$ 1,964,736</u>	<u>\$ -</u>	<u>\$ 988,365</u>	<u>\$ 6,495,858</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2020**

	<u>Capital Outlay Fund</u>	<u>District Activity Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Nonmajor Government Funds</u>
Revenues:					
Earnings on investments	\$ 33,188	\$ 3,814	\$ -	\$ -	\$ 37,002
State sources	1,165,246	-	468,909	-	1,634,155
Other sources	-	1,148,597	-	4,827,605	5,976,202
Total revenues	<u>1,198,434</u>	<u>1,152,411</u>	<u>468,909</u>	<u>4,827,605</u>	<u>7,647,359</u>
Expenditures:					
Instructional	-	2,354,496	-	2,406,370	4,760,866
Staff support services	-	141,508	-	-	141,508
Plant operation and maintenance	-	140,980	-	-	140,980
Student transportation	-	177,800	-	-	177,800
Debt service:					
Principal	-	-	9,770,000	-	9,770,000
Interest	-	-	4,990,366	-	4,990,366
Total expenditures	<u>-</u>	<u>2,814,784</u>	<u>14,760,366</u>	<u>2,406,370</u>	<u>19,981,520</u>
Excess (deficit) of revenues over expenditures	<u>1,198,434</u>	<u>(1,662,373)</u>	<u>(14,291,457)</u>	<u>2,421,235</u>	<u>(12,334,161)</u>
Other Financing Sources (Uses)					
Operating transfers in	-	2,402,751	14,291,457	-	16,694,208
Operating transfers out	<u>(1,904,393)</u>	<u>(538,521)</u>	<u>-</u>	<u>(2,402,751)</u>	<u>(4,845,665)</u>
Total other financing sources(uses)	<u>(1,904,393)</u>	<u>1,864,230</u>	<u>14,291,457</u>	<u>(2,402,751)</u>	<u>11,848,543</u>
Net change in fund balance	(705,959)	201,857	-	18,484	(485,618)
Fund balance, July 1, 2019	4,248,716	1,640,160	-	-	5,888,876
Net position adjustment (Note 17)	-	-	-	936,036	936,036
Fund balance, June 30, 2020	<u>\$ 3,542,757</u>	<u>\$ 1,842,017</u>	<u>\$ -</u>	<u>\$ 954,520</u>	<u>\$ 6,339,294</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 44,709,926	\$ 44,709,926	\$ 44,980,743	\$ 270,817
Earnings on investments	138,000	138,000	208,879	70,879
State sources	67,586,415	68,471,746	70,832,061	2,360,315
Federal sources	312,000	283,000	382,915	99,915
Other sources	<u>760,536</u>	<u>2,302,528</u>	<u>2,590,673</u>	<u>288,145</u>
Total revenues	<u>113,506,877</u>	<u>115,905,200</u>	<u>118,995,271</u>	<u>3,090,071</u>
Expenditures				
Instructional	73,509,375	75,994,522	80,589,068	(4,594,546)
Student support services	6,420,429	6,423,929	6,991,491	(567,562)
Staff support services	4,901,735	4,831,931	4,319,292	512,639
District administration	2,017,256	2,018,256	1,805,507	212,749
School administration	7,480,607	7,480,607	7,497,568	(16,961)
Business support services	6,324,527	6,373,301	4,468,546	1,904,755
Plant operation and maintenance	8,767,585	8,769,085	8,490,839	278,246
Student transportation	6,873,822	6,873,822	6,751,323	122,499
Community service operations	-	7,330	4,868	2,462
Facility acquisition and construction	749,925	749,925	735,796	14,129
Transfers	5,000	5,000	136,905	(131,905)
Contingency	<u>11,774,992</u>	<u>15,692,760</u>	<u>-</u>	<u>15,692,760</u>
Total expenditures	<u>128,825,253</u>	<u>135,220,468</u>	<u>121,791,203</u>	<u>13,429,265</u>
Net change in fund balance	(15,318,376)	(19,315,268)	(2,795,932)	16,519,336
Fund balance, July 1, 2019	<u>15,318,376</u>	<u>19,257,268</u>	<u>19,257,268</u>	<u>-</u>
Fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ (58,000)</u>	<u>\$ 16,461,336</u>	<u>\$ 16,519,336</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	\$ 2,070,703	\$ 1,812,710	\$ 1,508,769	\$ (303,941)
Federal sources	3,308,644	4,288,805	3,087,837	(1,200,968)
Other sources	<u>64,000</u>	<u>339,697</u>	<u>573,382</u>	<u>233,685</u>
Total revenues	<u>5,443,347</u>	<u>6,441,212</u>	<u>5,169,988</u>	<u>(1,271,224)</u>
Expenditures				
Instructional	2,349,679	2,621,465	2,353,548	267,917
Student support services	1,337,712	1,379,736	1,309,145	70,591
Staff support services	1,661,398	1,575,390	1,314,958	260,432
Business support services	-	109,896	-	109,896
Plant operation and maintenance	-	145,700	-	145,700
Food service operation	-	54,000	-	54,000
Daycare operations	-	464,699	99,338	365,361
Community service operations	94,558	90,326	87,743	2,583
Other	<u>-</u>	<u>-</u>	<u>5,256</u>	<u>(5,256)</u>
Total expenditures	<u>5,443,347</u>	<u>6,441,212</u>	<u>5,169,988</u>	<u>1,271,224</u>
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Fund
Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 14,652,584	\$ 14,652,584	\$ 14,218,177	\$ (434,407)
Earnings on investments	-	-	95,788	95,788
State sources	<u>3,397,062</u>	<u>3,587,790</u>	<u>3,587,790</u>	<u>-</u>
Total revenues	<u>18,049,646</u>	<u>18,240,374</u>	<u>17,901,755</u>	<u>(338,619)</u>
Expenditures				
District administration	210,550	210,550	213,788	(3,238)
Facility acquisition and construction	3,542,151	3,732,879	-	3,732,879
Transfers	<u>14,296,945</u>	<u>14,296,945</u>	<u>25,072,453</u>	<u>(10,775,508)</u>
Total expenditures	<u>18,049,646</u>	<u>18,240,374</u>	<u>25,286,241</u>	<u>(7,042,629)</u>
Net change in fund balance	-	-	(7,384,486)	(7,384,486)
Fund balance, July 1, 2019	<u>-</u>	<u>-</u>	<u>12,197,301</u>	<u>12,197,301</u>
Fund balance, June 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,812,815</u></u>	<u><u>\$ 4,812,815</u></u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2020**

	<u>Issue of 2008 - Ref</u>	<u>Issue of 2010 - Ref</u>	<u>Issue of 2010B - Ref</u>	<u>Issue of 2011</u>	<u>Issue of 2011 - Ref</u>	<u>Issue of 2012</u>	<u>Issue of 2012 - Ref</u>	<u>Issue of 2012B - Ref</u>
Cash at July 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,349,809	1,625,085	264,160	182,845	577,193	233,975	1,915,700	700,205
Disbursements:								
Bonds paid	1,305,000	1,500,000	200,000	105,000	510,000	20,000	1,735,000	460,000
Interest coupons	44,809	125,085	64,160	77,845	67,193	213,975	180,700	240,205
Total disbursements	1,349,809	1,625,085	264,160	182,845	577,193	233,975	1,915,700	700,205
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2020	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Issue of 2013</u>	<u>Issue of 2015</u>	<u>Issue of 2016 - Ref</u>	<u>Issue of 2016</u>	<u>Issue of 2016B - Ref</u>	<u>Issue of 2018</u>	<u>Total</u>
Cash at July 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Transfers and miscellaneous deposits	821,340	658,026	1,897,500	653,950	2,936,909	943,669	14,760,366
Disbursements:							
Bonds paid	525,000	40,000	575,000	225,000	2,060,000	510,000	9,770,000
Interest coupons	296,340	618,026	1,322,500	428,950	876,909	433,669	4,990,366
Total disbursements	821,340	658,026	1,897,500	653,950	2,936,909	943,669	14,760,366
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2020	-	-	-	-	-	-	-
Fund Balance at June 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Arvin Career Center School Activity Fund
For the Year Ended June 30, 2020**

	<u>Fund Balance July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Fund Balance June 30, 2020</u>	<u>Accounts Receivable June 30, 2020</u>	<u>Accounts Payable June 30, 2020</u>	<u>Due to Students & Others June 30, 2020</u>
Engineering	\$ -	\$ -	\$ -	\$ 311	\$ 311	\$ -	\$ -	\$ 311
Field Trip	592	3,165	2,418	(311)	1,028	-	-	1,028
OCBE transfer account	2	39,347	-	(39,349)	-	-	-	-
Vending - General	653	1,098	572	-	1,179	-	-	1,179
YATP	14	111	23	-	102	-	-	102
	<u>\$ 1,261</u>	<u>\$ 43,721</u>	<u>\$ 3,013</u>	<u>\$ (39,349)</u>	<u>\$ 2,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,620</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
North Oldham High School Activity Fund
For the Year Ended June 30, 2020**

	Fund Balance July 1, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
Academic Team Club	\$ 1,463	\$ 2,400	\$ 1,746	\$ -	\$ 2,117	\$ -	\$ -	\$ 2,117
Aces	-	180	-	-	180	-	-	180
Archery	-	6,560	3,362	-	3,198	-	-	3,198
Athletics	4,167	21,807	28,540	2,566	-	-	-	-
Band	1,954	4,872	6,163	(621)	42	-	20	22
Band - Marching	22,200	23,783	46,269	1,076	790	-	73	717
Baseball	1,225	10,431	7,076	(107)	4,473	20,000	-	24,473
Baseball- Districts	485	-	-	-	485	-	-	485
Basketbal - Boys	2,393	12,125	13,184	-	1,334	-	1,305	29
Basketball - Girls	4,463	3,072	5,764	(56)	1,715	-	12	1,703
Bass Fishing	610	160	689	-	81	-	-	81
Beta Club	1,270	2,306	2,879	-	697	-	-	697
Broadcast	3,046	-	2,060	-	986	-	-	986
Cash on Hand	-	3,500	3,500	-	-	-	-	-
Cast	1,417	2,603	2,603	-	1,417	-	-	1,417
Cheerleading	5,798	23,087	25,180	-	3,705	-	-	3,705
Chorus	8,187	86,429	55,402	427	39,641	-	-	39,641
Class of 2019	7,284	-	733	(6,551)	-	-	-	-
Class of 2020	12,589	10,125	4,083	1,080	19,711	-	-	19,711
Class of 2021	1,086	6,275	820	(1,080)	5,461	-	-	5,461
Class of 2022	872	406	62	-	1,216	-	-	1,216
Class of 2023	-	1,995	1,347	-	648	-	-	648
Rumble Cross Country	-	64,059	46,102	(17,957)	-	-	-	-
Cross Country - Boys	5,805	6,526	14,775	8,923	6,479	-	-	6,479
Cross Country - Girls	631	3,903	14,183	9,695	46	-	-	46
Dance Team	6,886	308	75	-	7,119	-	-	7,119
Debate	73	1,650	981	-	742	-	-	742
Drama/creative writing	-	3,375	717	861	3,519	-	-	3,519
Drama/thespian society	861	2,600	-	(861)	2,600	-	-	2,600
English	22	-	-	-	22	-	-	22
Environmental Club	118	-	-	-	118	-	-	118
FCA	172	255	297	-	130	-	-	130
Field Hockey	3,152	13,360	13,347	(104)	3,061	-	-	3,061
Field Trips	1,407	1,154	960	-	1,601	-	-	1,601
Field Trips Art	115	1,437	917	-	635	-	-	635
Field Trips English	88	1,115	833	-	370	-	-	370
Football	4,406	18,386	14,206	(1,083)	7,503	-	4,413	3,090
From Scratch	715	685	494	-	906	-	-	906
Gay/Straight Alliance	176	-	-	-	176	-	-	176
General	9,286	479	854	4,965	13,876	-	22	13,854
Girl Up	-	1,373	632	-	741	-	-	741

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
North Oldham High School Activity Fund (Continued)
For the Year Ended June 30, 2020**

	Fund Balance June 30, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
Golf - Boys	\$ 2,218	\$ 3,630	\$ 1,836	\$ -	\$ 4,012	\$ -	\$ -	\$ 4,012
Golf - Girls	2,359	1,452	1,424	(58)	2,329	-	-	2,329
KYA/KUNA Y Clubs	2,829	100,807	91,571	-	12,065	-	-	12,065
Lacrosse - Boys	2,468	5,974	6,974	(375)	1,093	-	-	1,093
Lacrosse - Girls	9,785	8,279	5,014	375	13,425	-	-	13,425
Math/Science Honor Society	-	1,485	860	-	625	-	-	625
Media Center	735	-	-	-	735	-	-	735
Multicultural Club	-	115	-	-	115	-	-	115
Mustang Mentors	45	-	-	(45)	-	-	-	-
National Arts Society	1,275	1,015	766	-	1,524	-	-	1,524
National Honor Society	6,687	2,910	63	-	9,534	-	-	9,534
OCBE transfer account	-	408,201	-	(408,201)	-	-	-	-
Photography Club	13	-	-	-	13	-	-	13
Regional Tourn (Host)	-	675	450	(225)	-	-	-	-
Science Marine Biology	1,234	-	-	-	1,234	-	-	1,234
Ski Club	477	-	-	(477)	-	-	-	-
Soccer - Boys	4,096	1,640	5,347	(118)	271	-	30	241
Soccer - Girls	2,964	10,011	7,597	(84)	5,294	-	-	5,294
Soccer Tournament	-	4,425	3,521	-	904	-	-	904
Softball	6,077	2,808	3,334	-	5,551	-	-	5,551
Spanish Club	-	486	485	-	1	-	-	1
Speech Club	997	572	212	-	1,357	-	-	1,357
STEAM	852	3,013	2,173	-	1,692	-	-	1,692
Swim Team	11,565	4,972	15,887	(199)	451	-	360	91
Tennis - Boys	1,515	3,506	2,169	47	2,899	-	-	2,899
Tennis - Girls	358	-	311	(47)	-	-	-	-
Track - Boys	8,147	5,292	5,221	677	8,895	-	-	8,895
Track - Girls	2,592	4,890	4,585	603	3,500	-	-	3,500
Track Invitational	1,705	420	771	(1,354)	-	-	-	-
Tri M Music Honor	366	290	464	-	192	-	-	192
Vending - Student	4,074	51	-	-	4,125	50	-	4,175
Vending - Teacher/Staff	438	109	547	-	-	50	-	50
Volleyball	16,055	12,723	26,834	(100)	1,844	-	12	1,832
Volleyball Districts	-	3,386	3,616	230	-	-	-	-
Winter Guard	99	2,190	2,145	-	144	-	-	144
Women's Leadership	1,818	290	525	-	1,583	-	-	1,583
Wrestling	1,145	2,254	4,217	4,929	4,111	-	-	4,111
Wrestling Classic	3,930	4,056	3,034	(4,952)	-	-	-	-
Total	\$ 213,340	\$ 944,708	\$ 522,788	\$ (408,201)	\$ 227,059	\$ 20,100	\$ 6,247	\$ 240,912

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Oldham County High School Activity Fund
For the Year Ended June 30, 2020**

	Fund Balance July 1, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
Art Club	\$ 52	\$ 599	\$ 368	\$ -	\$ 283	\$ -	\$ -	\$ 283
Athletics	615	54,940	52,598	(52)	2,905	-	1,105	1,800
Archery	2,318	5,991	2,371	-	5,938	-	-	5,938
Band	3,064	8,582	11,646	-	-	-	-	-
Baseball	1	18,726	15,184	-	3,543	-	-	3,543
Bass Fishing	1,437	7,715	5,800	-	3,352	-	-	3,352
Basketball - Boys	4,131	5,501	6,097	-	3,535	-	-	3,535
Basketball - Girls	1,208	12,679	8,891	-	4,996	-	-	4,996
Beta Club	2,546	2,564	3,680	-	1,430	-	-	1,430
Broadcast Journalism	2,421	-	-	-	2,421	-	-	2,421
Cash on Hand	-	2,999	3,000	1	-	-	-	-
Canstruction	-	1,290	1,176	-	114	-	-	114
Cheerleading	10,422	36,444	46,142	-	724	-	-	724
Choir	1,805	47,265	49,647	1,127	550	-	-	550
Cross Country	1,041	28,327	23,143	-	6,225	-	-	6,225
Dance Team	1,970	10,860	11,485	-	1,345	-	-	1,345
Diversity Club	288	220	421	-	87	-	-	87
Elevator Key	-	20	-	-	20	-	-	20
English Field Trips	987	4,882	5,210	-	659	-	-	659
Faculty Fund	196	-	-	(196)	-	-	-	-
FBLA Club	427	-	-	-	427	-	-	427
FFA	5,773	1,912	5,907	-	1,778	1,400	400	2,778
Football	29	-	15	-	14	-	-	14
World Language	102	70	172	-	-	-	-	-
General	2,644	129	-	(2,455)	318	-	-	318
Golf - Boys	1,825	8,715	9,776	-	764	-	-	764
Golf - Girls	22	610	686	54	-	-	-	-
GSA/Pride Alliance	59	-	-	-	59	-	-	59
Guidance	322	-	-	(322)	-	-	-	-
Industrial Art Club	2,306	5,676	5,000	-	2,982	-	-	2,982
Juniors	23,854	35,840	27,117	(6,402)	26,175	-	-	26,175
KYA-KUNA Y Clubs	3,631	37,764	39,308	-	2,087	-	-	2,087
Lacrosse - Boys	741	1,837	524	-	2,054	-	-	2,054
Lacrosse - Girls	1,880	7,165	8,372	-	673	-	-	673
Literary Club	821	-	-	-	821	-	-	821

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Oldham County High School Activity Fund (Continued)
For the Year Ended June 30, 2020**

	Fund Balance July 1, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
National Honor Society	\$ 2,290	\$ 2,413	\$ 1,347	\$ -	\$ 3,356	\$ -	\$ -	\$ 3,356
No Snow	300	-	300	-	-	-	-	-
OCBE transfer account	1,894	444,521	-	(446,361)	54	-	-	54
Paper - news/school	310	9,775	7,800	1,106	3,391	-	-	3,391
Pencil Machine - Math	-	21	-	-	21	-	-	21
Pep Club	741	665	1,118	-	288	-	-	288
Scholarship/Indigent	8,379	-	101	322	8,600	-	723	7,877
Science Club	-	-	267	1,328	1,061	-	-	1,061
Seniors	3,144	16,481	25,898	6,402	129	-	-	129
Sigma Sigma Gamma	2,016	5,071	3,660	(1,106)	2,321	-	-	2,321
Soccer - Boys	8,648	8,070	8,367	-	8,351	-	-	8,351
Soccer - Girls	344	5,673	4,780	-	1,237	-	-	1,237
Softball	2,574	11,688	8,197	(2)	6,063	-	-	6,063
Swim Team	2,684	7,242	9,678	-	248	-	-	248
Tennis	2,512	3,675	1,432	-	4,755	-	-	4,755
Theatre Production	3,731	5,220	5,126	-	3,825	-	-	3,825
Track	4,991	930	3,330	-	2,591	-	-	2,591
Vending - General	-	40	100	60	-	-	-	-
Vending - Student	13,492	1,386	9,456	-	5,422	-	2,011	3,411
Vending - Faculty	691	894	473	136	1,248	-	-	1,248
Volleyball	2,000	5,378	5,350	-	2,028	-	-	2,028
Wrestling	380	7,358	2,951	-	4,787	-	-	4,787
Yearbook	73,464	65,941	85,476	-	53,929	22,000	20,783	55,146
Total	\$ 213,523	\$ 951,764	\$ 528,943	\$ (446,360)	\$ 189,984	\$ 23,400	\$ 25,022	\$ 188,362

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
South Oldham High School Activity Fund
For the Year Ended June 30, 2020**

	Fund Balance July 1, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
Art	\$ 183	100	-	\$ (85)	\$ 198	\$ -	\$ -	\$ 198
Athletics	8,644	107,873	103,123	4,330	17,724	-	631	17,093
Background Checks	170	520	400	-	290	-	-	290
Baseball	1,748	7,800	5,389	-	4,159	-	-	4,159
Basketball - Boys	2,417	11,862	12,153	-	2,126	-	-	2,126
Basketball - Girls	1,895	7,259	11,141	3,665	1,678	-	-	1,678
Beta Club	2,953	11,462	11,999	(25)	2,391	-	-	2,391
Book/course Fees	-	-	-	-	-	185	-	185
Cash on Hand	-	7,400	7,400	-	-	-	-	-
Cheerleading	14,072	87,599	95,380	(2,550)	3,741	-	-	3,741
Choral Music	8,965	2,301	3,058	-	8,208	-	-	8,208
Cross Country	6,207	6,936	9,325	-	3,818	-	-	3,818
Dance Team	1,143	5,433	2,799	-	3,777	-	-	3,777
Dragon Spirit Club	146	25	318	225	78	-	-	78
Drama/theatre	25,661	3,347	8,160	(25)	20,823	-	-	20,823
Faculty Fund	42	565	569	-	38	-	-	38
FCA	45	390	367	-	68	-	-	68
FCCLA Club	2,670	14,444	16,182	(295)	637	-	-	637
FCCA Club Reg #6	2,663	844	1,687	270	2,090	-	-	2,090
Field Hockey	2,870	7,390	8,165	-	2,095	-	-	2,095
Football	5,032	41,389	38,610	(5,565)	2,246	-	-	2,246
French Club	-	180	32	-	148	-	-	148
Class of 2023	1,096	1,098	684	(1,121)	389	-	-	389
General	1,355	1,034	1,499	122	1,012	-	-	1,012
German Club	3	330	239	-	94	-	-	94
Golf - Boys	2,703	3,759	3,146	-	3,316	-	-	3,316
Golf - Girls	289	100	197	-	192	-	-	192
Interact Club	280	-	198	(25)	57	-	-	57
Junior Class of 2021	7,285	9,389	5,945	(6,376)	4,353	-	-	4,353
KYA/KUNA Y Clubs	1,730	53,220	53,243	-	1,707	-	-	1,707
Lacrosse - Girls	1,285	10,345	6,086	-	5,544	-	-	5,544
Lacrosse - Boys	5,583	23,897	24,320	-	5,160	-	-	5,160

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
South Oldham School Activity Fund (Continued)
For the Year Ended June 30, 2020**

	Fund Balance July 1, 2019	Receipts	Disbursements	Transfers	Fund Balance June 30, 2020	Accounts Receivable June 30, 2020	Accounts Payable June 30, 2020	Due to Students & Others June 30, 2020
Link Crew	\$ 164	\$ 2,288	\$ 2,507	\$ 95	\$ 40	\$ -	\$ -	\$ 40
Marine Biology Field Trip	1,408	-	-	-	1,408	-	-	1,408
Mu Alpha Theta	119	340	353	-	106	-	-	106
National Arts Society	140	691	464	60	427	-	-	427
National Honor Society	756	2,224	1,967	-	1,013	-	-	1,013
Nutritional Advisory Club	153	-	-	(153)	-	-	-	-
OCBE transfer account	(253)	533,676	-	(533,423)	-	-	-	-
Science Field Trips	39	-	-	-	39	-	-	39
Senior Class of 2020	5,850	19,791	20,709	6,945	11,877	19	-	11,896
Ski Club	4,617	9,100	10,471	-	3,246	-	-	3,246
Soccer - Boys	3,895	17,722	8,937	(30)	12,650	-	-	12,650
Soccer- Girls	2,869	11,568	14,326	-	111	-	-	111
Softball	2,243	9,039	10,028	-	1,254	-	-	1,254
Sophomore Class of 2022	619	30	1	477	1,125	-	-	1,125
Student Council	18	-	-	-	18	-	-	18
Swim Team	311	6,868	7,027	-	152	-	-	152
Tennis - Boys	234	-	683	525	76	-	-	76
Tennis - Girls	1,608	752	1,313	825	1,872	-	-	1,872
The Dragon's Tale	2,318	3,410	4,241	-	1,487	-	-	1,487
Track	4,219	3,996	3,339	-	4,876	-	-	4,876
Vending - Snack	2,214	114	32	-	2,296	-	-	2,296
Vending - Teacher/Staff	873	932	681	-	1,124	-	-	1,124
Vending - Soda	6,809	-	244	-	6,565	-	-	6,565
Volleyball	766	-	495	-	271	-	-	271
We Care	7,146	1,200	262	-	8,084	-	-	8,084
Wrestling	4,810	10,329	10,681	(1,200)	3,258	-	-	3,258
Yearbook	15,165	16,763	1,136	(25)	30,767	-	-	30,767
Youth Step Up	64	-	-	(64)	-	-	-	-
Total	\$ 178,309	\$ 1,079,124	\$ 531,711	\$ (533,423)	\$ 192,299	\$ 204	\$ 631	\$ 191,872

OLDHAM COUNTY SCHOOL DISTRICT

**Combining Statement of Receipts, Disbursements and Due to Student/Groups
School Activity Funds
For the Year Ended June 30, 2020**

	Cash Balance 7/1/2019	Receipts	Disbursements	Transfers	Cash Balance 6/30/2020	Accounts Receivable 6/30/2020	Accounts Payable 6/30/2020	Due To Students & Others 6/30/2020
High Schools								
Arvin Career Center	\$ 1,261	\$ 43,721	\$ 3,013	\$ (39,349)	\$ 2,620	\$ -	\$ -	\$ 2,620
North Oldham	213,340	944,708	522,788	(408,201)	227,059	20,100	6,247	240,912
Oldham	213,523	951,764	528,943	(446,360)	189,984	23,400	25,022	188,362
South Oldham	178,309	1,079,124	531,711	(533,423)	192,299	204	631	191,872
Middle Schools								
East Oldham	46,569	194,890	94,525	(112,376)	34,558	-	229	34,329
North Oldham	74,628	417,846	255,683	(153,555)	83,236	-	-	83,236
Oldham County	51,294	180,516	87,932	(90,925)	52,953	-	1,303	51,650
South Oldham	76,549	255,650	164,311	(93,247)	74,641	-	-	74,641
Elementary Schools								
Buckner	2,092	95,249	18,850	(75,922)	2,569	-	-	2,569
Camden	8,972	32,124	14,936	(19,450)	6,710	-	-	6,710
Centerfield	8,717	84,336	27,997	(56,497)	8,559	-	-	8,559
Crestwood	6,054	51,739	7,032	(40,711)	10,050	-	-	10,050
Goshen	11,526	144,251	21,183	(122,948)	11,646	-	-	11,646
Harmony	2,839	97,037	17,805	(75,158)	6,913	-	-	6,913
Kenwood	9,754	70,516	19,247	(48,522)	12,501	-	-	12,501
Lagrange	7,197	53,741	16,979	(33,228)	10,731	-	412	10,319
Locust Grove	23,412	86,690	39,593	(52,878)	17,631	-	-	17,631
Total	\$ 936,036	\$ 4,783,902	\$ 2,372,528	\$ (2,402,750)	\$ 944,660	\$ 43,704	\$ 33,844	\$ 954,520

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	*	*	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*
State's proportionate share of the net pension liability associated with the District	<u>242,291,849</u>	<u>227,259,413</u>	<u>464,913,222</u>	<u>506,558,743</u>	<u>394,337,603</u>	<u>327,037,306</u>	*	*	*	*
Total	<u><u>\$ 242,291,849</u></u>	<u><u>\$ 227,259,413</u></u>	<u><u>\$ 464,913,222</u></u>	<u><u>\$ 506,558,743</u></u>	<u><u>\$ 394,337,603</u></u>	<u><u>\$ 327,037,306</u></u>	<u><u>*</u></u>	<u><u>*</u></u>	<u><u>*</u></u>	<u><u>*</u></u>
District's covered-employee payroll	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*	*	*	*

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

Changes of benefit terms: None

Changes of assumption: In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Table rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

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

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

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

Changes of assumption: In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.20% to 4.49%

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

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 2,020,581	\$ 1,940,913	\$ 1,921,435	\$ 1,862,857	\$ 1,878,864	\$ 1,457,974	\$ 762,179	*	*	*
Contributions in relation to the contractually required contribution	<u>(2,020,581)</u>	<u>(1,940,913)</u>	<u>(1,921,435)</u>	<u>(1,862,857)</u>	<u>(1,878,864)</u>	<u>(1,457,974)</u>	<u>(762,179)</u>	*	*	*
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	3.45%	3.46%	3.76%	3.86%	4.05%	*	*	*	*	*

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

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability – CERS

	Last 10 Fiscal Years*									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of net pension liability	0.639930%	0.647581%	0.647577%	0.666663%	0.666661%	0.654827%	*	*	*	*
District's proportionate share of the net pension liability	\$ 45,006,562	\$ 39,439,657	\$ 37,904,673	\$ 32,823,925	\$ 28,663,271	\$ 21,245,000	*	*	*	*
Total net pension liability	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*	*	*	*
District's covered-employee payroll	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	\$ 15,022,785	\$ 15,148,080	*	*	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	274.78%	203.76%	204.24%	204.31%	190.80%	140.25%	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*	*	*	*

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

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

2014: As cash balance plan was introduced for member whose participation date is on or after January 1, 2014.

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

2015: The assumed investment rate of return was decreased from 7.75% to 7.50%.

2015: The assumed rate of inflation was reduced from 3.50% to 3.25%.

2015: The assumed rate of wage inflation was reduced from 1.00% to 0.75%.

2015: Payroll growth assumption was reduced from 4.50% to 4.00%.

2015: The mortality table used for active members is RP-2000 Combined Mortality table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).

2015: For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

2015: The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017: The assumed investment rate of return was decreased from 7.5% to 6.25%.

2017: The assumed rate of inflation was reduced from 3.25% to 2.30%.

2017: The assumed rate of salary growth was reduced from 4.00% to 3.05%.

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District Contributions – CERS

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 3,303,691	\$ 3,518,205	\$ 2,615,773	\$ 2,418,417	\$ 2,740,874	\$ 2,668,047	\$ 2,860,339	*	*	*
Contributions in relation to the contractually required contribution	<u>(3,303,691)</u>	<u>(3,518,205)</u>	<u>(2,615,773)</u>	<u>(2,418,417)</u>	<u>(2,740,874)</u>	<u>(2,668,047)</u>	<u>(2,860,339)</u>	*	*	*
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*	*	*
District's covered-employee payroll	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	\$ 15,022,785	\$ 15,148,080	*	*	*
Contributions as a percentage of covered-employee payroll	19.37%	21.48%	13.51%	13.03%	17.06%	17.76%	18.88%	*	*	*

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

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net OPEB Liability – LIF

	Last 10 Fiscal Years*									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0%	0%	0%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ 514,000	\$ 455,000	\$ 351,000	\$ 241,000	*	*	*	*	*	*
Total net OPEB liability	\$ 514,000	\$ 455,000	\$ 351,000	\$ 241,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,200	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	73.40%	74.97%	79.99%	*	*	*	*	*	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.45%
Discount rate	7.50%

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District's Contributions – LIF

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ -	\$ -	\$ -	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	48,217,118	46,425,200	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District's Contributions – MIF

	Last 10 Fiscal Years*									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0.936772%	0.887195%	0.901353%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 27,417,000	\$ 30,783,000	\$ 32,140,000	\$ 31,821,000	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 22,141,000	\$ 26,529,000	\$ 26,254,000	\$ 25,993,000	*	*	*	*	*	*
Total net OPEB liability	\$ 49,558,000	\$ 57,312,000	\$ 58,394,000	\$ 57,814,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,200	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	48.8%	60.3%	66.7%	68.5%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	32.58%	25.54%	21.18%	*	*	*	*	*	*	*

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

Changes of benefit terms - None

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	22 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2024
Ages 65 and older	5.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B premiums	0.00% for FY 2018 with an ultimate rate of 5.00% by 2030
Under age 65 claims	the current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District's Contributions – MIF

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 2,011,528	\$ 1,580,373	\$ 1,938,662	\$ 1,921,436	\$ 1,544,272	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(2,011,528)</u>	<u>(1,580,373)</u>	<u>(1,938,662)</u>	<u>(1,921,436)</u>	<u>(1,544,272)</u>	*	*	*	*	*
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	*	*	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	3.43%	2.81%	3.80%	3.98%	3.33%	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

Changes of benefit terms - None

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	22 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2024
Ages 65 and older	5.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B premiums	0.00% for FY 2018 with an ultimate rate of 5.00% by 2030
Under age 65 claims	the current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)

	Last 10 Fiscal Years*									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0.639766%	0.647556%	0.647577%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 10,760,576	\$ 11,497,228	\$ 13,018,513	\$ 10,211,333	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Total net OPEB liability	\$ 10,760,576	\$ 11,497,228	\$ 13,018,513	\$ 10,211,333	*	*	*	*	*	*
District's covered-employee payroll	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	65.7%	59.4%	70.1%	63.6%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	60.44%	57.62%	52.40%	52.40%	*	*	*	*	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of District Contributions – MIF (CERS)

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 814,796	\$ 848,272	\$ 754,361	\$ 748,836	\$ 745,775	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(814,796)</u>	<u>(848,272)</u>	<u>(754,361)</u>	<u>(748,836)</u>	<u>(745,775)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	4.78%	5.18%	3.90%	4.03%	4.64%	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

OLDHAM COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agreement Number	Federal Expenditures for FYE June 30, 2020
<u>U.S. Department of Education</u>			
<i>Passed through Kentucky Department of Education</i>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 17	\$ 26,359
Special Education_Grants to States	84.027	3810002 18	73,660
Special Education_Grants to States	84.027	3810002 19	1,879,365
Special Education_Preschool Grants	84.173	3800002 17	2,083
Special Education_Preschool Grants	84.173	3800002 18	5,419
Special Education_Preschool Grants	84.173	3800002 19	38,083
Total Special Education Cluster			<u>2,024,969</u>
Title I Grants to Local Educational Agencies	84.010	n/a	5,550
Title I Grants to Local Educational Agencies	84.010	n/a	118,031
Title I Grants to Local Educational Agencies	84.010A	3100002 17	44,514
Title I Grants to Local Educational Agencies	84.010A	3100002 18	49,285
Title I Grants to Local Educational Agencies	84.010A	3100002 19	473,795
Total CFDA #84.010			<u>691,175</u>
Career and technical Education -Basic Grants to States	84.048	3710002 18	544
Career and technical Education -Basic Grants to States	84.048	3710002 19	76,709
Total CFDA #84.048			<u>77,253</u>
English Language Acquisition State Grants	84.365	3300002 17	2,023
English Language Acquisition State Grants	84.365	3300002 18	7,508
English Language Acquisition State Grants	84.365	3300002 19	28,785
Total CFDA #84.365			<u>38,316</u>
Title II Improving Teacher Quality State Grants	84.367	3230002 17	14,021
Title II Improving Teacher Quality State Grants	84.367	3230002 18	18,482
Title II Improving Teacher Quality State Grants	84.367	3230002 19	182,185
Total CFDA #84.367			<u>214,688</u>
Total U.S. Department of Education			<u><u>3,046,401</u></u>
<u>U.S. Department of Health and Human Services</u>			
Child Care and Development Block Grant	93.575	Not available	99,338
Total U.S. Department of Health and Human Services			<u><u>99,338</u></u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
National School Lunch Program	10.555	7750002 19	404,982
National School Lunch Program	10.555	7750002 20	744,499
School Breakfast Program	10.553	7760005 19	111,640
School Breakfast Program	10.553	7760005 20	217,040
Summer Food Service Program for Children	10.559	7690024 19	2,459
Summer Food Service Program for Children	10.559	7690024 20	46,852
Summer Food Service Program for Children	10.559	7740023 19	23,577
Summer Food Service Program for Children	10.559	7740023 20	246,373
			<u>1,797,422</u>
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	n/a	275,352
Total Child Nutrition Cluster			<u>2,072,774</u>
<i>Passed through Kentucky Department of Education</i>			
Child and Adult Care Food Program	10.558	7790021 19	2,428
Child and Adult Care Food Program	10.558	7790021 20	6,619
Total CFDA #10.558			<u>9,047</u>
Total U.S. Department of Agriculture			<u>2,081,821</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,227,560</u></u>

OLDHAM COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Oldham County School District under programs of the federal government for the year ended June 30, 2020 and is reported on the accrual basis of accounting. 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*. Because the schedule presents only a selected portion of the operations of Oldham County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2020, the District reported food commodities expended in the amount of \$275,352.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2020.

**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**

To the Members of the Board of Education
Oldham County School District
Crestwood, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oldham County School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Oldham County School District's basic financial statements, and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oldham County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oldham County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oldham 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 Oldham County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters that we reported to management of the District on pages 83 to 87.

**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
(CONTINUED)**

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.



Crestview Hills, Kentucky
January 20, 2021

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

Members of the Board of Education
Oldham County School District
Florence, Kentucky

Report on Compliance for Each Major Federal Program

We have audited Oldham County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oldham County School District's major federal programs for the year ended June 30, 2020. Oldham County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oldham County School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oldham County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Oldham County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Oldham County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

Report on Internal Control Over Compliance

Management of Oldham County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oldham County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oldham County School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
January 20, 2021

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

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 that are not considered to be material weaknesses? _____ Yes X None noted

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

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2020**

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2020**

In planning and performing our audit of the financial statements of Oldham County School District for the year ended June 30, 2020, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated January 20, 2021 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated January 20, 2021, on the financial statements of the Oldham County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Oldham County High School

No matters are reportable

North Oldham High School

No matters are reportable

South Oldham High School

No matters are reportable

Arvin Career Center

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2020**

CURRENT YEAR RECOMMENDATIONS (Continued)

East Oldham Middle School

2020-01: Outstanding checks older than one year

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks shall not be carried longer than 12 months.

Condition – During the testing of Activity Funds, it was noted that five checks were outstanding for longer than 12 months.

Effect – Proper procedures over expenditures were not properly followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend contacting the vendor to deposit their check before it becomes outstanding for 12 months. We also recommend issuing a stop payment on the check if it is outstanding for longer than one year.

Board Response – The school bookkeeper to review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

North Oldham Middle School

2020-02: Invoices not marked paid

Criteria – Per best practices recommended by the Kentucky Department of Education, invoices shall be marked paid and be stapled to the purchase order and check stub.

Condition – During the testing of Activity Funds, it was noted that two checks did not have the invoices marked paid.

Effect – Proper procedures over expenditures were not properly followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that invoices get marked paid after the check is printed. Invoices can also be marked with the check number and the date paid for more documentation in order to prevent paying the same invoice twice.

Board Response – The school bookkeeper and the principal to review all invoices upon check issuance to ensure that invoices are marked paid with the date the check was issued.

Oldham County Middle School

No matters are reportable

South Oldham Middle School

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2020

CURRENT YEAR RECOMMENDATIONS (Continued)

Buckner Elementary

No matters are reportable

Camden Elementary

No matters are reportable

Centerfield Elementary

No matters are reportable

Crestwood Elementary

No matters are reportable

Goshen Elementary

No matters are reportable

Harmony Elementary

No matters are reportable.

Kenwood Elementary

No matters are reportable

Lagrange Elementary

No matters are reportable

Locust Grove Elementary

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2020**

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Oldham County High School

No matters are reportable

North Oldham High School

No matters are reportable

South Oldham High School

No matters are reportable

Arvin Career Center

No matters are reportable

East Oldham Middle School

No matters are reportable

North Oldham Middle School

No matters are reportable

Oldham County Middle School

No matters are reportable

South Oldham Middle School

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2020

PRIOR YEAR RECOMMENDATIONS (Continued)

Buckner Elementary

No matters are reportable

Camden Elementary

No matters are reportable

Centerfield Elementary

No matters are reportable

Crestwood Elementary

No matters are reportable

Goshen Elementary

No matters are reportable

Harmony Elementary

No matters are reportable.

Kenwood Elementary

No matters are reportable

Lagrange Elementary

No matters are reportable

Locust Grove Elementary

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable