

Oldham County School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2021
With Independent Auditors' Report**

OLDHAM COUNTY SCHOOL DISTRICT

June 30, 2021

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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, 2021, 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, 2021, 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.

**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 November 15, 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
November 15, 2021

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2021

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, 2021. 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 enrollment was 12,308 students in the 2020-2021 fiscal year. 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.

The world-wide covid pandemic that closed schools and businesses in March 2020 continued to affect Oldham County Schools for the duration of FY 2021, both from a financial and an instructional standpoint. Oldham County Schools ended FY20 with remote learning for all students in response to the covid pandemic, and it began the FY21 school year with options for students and staff. OCS believes that face-to-face instruction is the most effective way to learn. To that end, and to accommodate learning styles and health considerations, students and staff were offered the option of attending a Virtual Learning Academy (fully remote teaching) or an A/B schedule which alternated between remote and in-person learning. A month after school began, the elementary schools returned to in-person instruction. During this school year, normal events such as field trips, staff planning and development, and athletic events were put on hold due to state-wide pandemic restrictions. Both the federal and state governments were able to provide grants to assist with pandemic-related costs such as personal protective equipment and sanitizing equipment, as well as to provide assistance to the proprietary funds which lost revenues due to pandemic-related regulatory closures and other limitations.

As of the year ended June 30, 2021, 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 \$118.9 million in revenue consisting primarily of local property, utility, and motor vehicle taxes and the State allocation (SEEK). Included in this amount is \$33.4 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 \$3.7 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 FY21 property tax rates of 80.0 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. The property tax rate increased from 78.8, while the other tax rates remained the same as for FY20. This property tax rate, along with increased property value assessments, generated approximately \$3.1 million of additional FY21 general property tax revenues.

For FY21, the state of Kentucky maintained its guaranteed base level of support per pupil SEEK funding at \$4,000. Total General Fund SEEK funding for FY21 decreased slightly by \$95,210 over that of FY20.

The District administered over \$10.2 million in federal, state and local grants and other programs during the year, of which \$4.3 million were pandemic relief funds, including \$1.3 million for child care center stabilization. An additional \$3.7 million was administered in the Child Nutrition programs.

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2021 (Continued)

FINANCIAL HIGHLIGHTS (Continued)

Expenditures

General Fund expenditures were \$120.2 million. Salaries and related costs total \$108.1 million or 90% of the general operating expenditures. Included in this amount is \$33.4 million in teachers' retirement contributions, employees' health insurances, technology services, and debt service payments made by the State.

Instruction comprises 62.5% of governmental program expenditures and support services expenditures make up an additional 23.2%. The remaining expenses for community services activities, interest and other items account for the remaining 14.3% of total government expense.

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.

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 FY21, the District implemented its annual salary step increase for employees, continued proactive funding for technology upgrades, and continued programs to increase funding of school Admissions and Release Committee (ARC) chairs and psychologists, as noted below. The District also implemented a new salary structure for classified employees that is cognizant of market rates and internal equity.

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, FY21 continued to focus on mental health plans to enable our schools to reach the needs of all our students better than ever, as the impact of the covid pandemic has increased the needs of students in this area.

Construction

With students and teachers out of the buildings beginning in March 2020 for remote learning due to the covid pandemic, construction in FY21 continued to progress on projects begun at an accelerated rate in FY20. Projects included:

- For **South Oldham High School**, due for its 30-year renovation, construction began in FY20 and continued into FY21 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, and will be finished in time for the students to start the FY22 school year.
- **Buckner Elementary School** classroom addition project, budgeted at \$4.1 million, built classrooms to accommodate 100-700 students, and will be finished in time for the students to start the FY22 school year.

OLDHAM COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2021 (Continued)

FINANCIAL HIGHLIGHTS (Continued)

- Several smaller projects were begun in FY21, including:
 - Roof renovations
 - Band tower replacements
 - Boiler replacements
 - Athletics facility renovations
 - District-wide phone system replacement to digital technology

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. While both Food Service and Child Daycare funds took significant losses in FY20 from halted operations due to the covid pandemic, several federal grant programs in the current year have restored the funds to profitability (exclusive of pension and EPOB costs) where continued conservative fiscal management in both of the businesses will 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 20.7 (state average of 18.0)
- Graduation rate of 96.9% (state average of 90.2%)
- National Merit semi-finalists (8)

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 FY21 Working Budget with a general fund contingency of \$8.9 million, or 9.6%. 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, 2021 (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, 2021
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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). All other activities of the District are included in the governmental 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.

Required fund financial statements for governmental funds are a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. Required financial statements for proprietary funds are a Statement of Net Position; a Statement of Revenues, Expenditures, and Changes in Fund Balances; and a Statement of Cash Flows. The required financial statement for fiduciary funds is a Statement of Net Position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided and to reflect accountability for the monies received and expended.

Net Position for the periods ending June 30, 2021 and 2020

The following is a summary of net position for the fiscal years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Current assets	\$ 44,606,976	\$ 47,463,405
Noncurrent assets	<u>241,547,557</u>	<u>236,944,270</u>
Total assets	<u>286,154,533</u>	<u>284,407,675</u>
Deferred outflows	25,464,879	21,575,362
Current liabilities	17,134,454	17,146,616
Noncurrent liabilities	<u>216,810,046</u>	<u>218,994,435</u>
Total liabilities	<u>233,944,500</u>	<u>236,141,051</u>
Deferred inflows	<u>14,881,920</u>	<u>13,122,806</u>
Net position		
Investment in capital assets (net of debt)	104,845,762	91,082,896
Restricted	10,165,414	15,050,537
Unrestricted	<u>(52,218,184)</u>	<u>(49,414,253)</u>
Total net position	<u>\$ 62,792,992</u>	<u>\$ 56,719,180</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A - Unaudited)
Year Ended June 30, 2021
(Continued)**

Comments on General Fund Budget Comparisons

- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$2,500,516 more than budget or approximately 2.2% of General Fund Budget.
- General Fund actual expenditures were less than budgeted expenditures by \$11,778,185, net of other financing sources and uses.

OLDHAM COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A - Unaudited)
Year Ended June 30, 2021
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Revenues		
Program revenues		
Charges for services	\$ 5,778,450	\$ 5,963,111
Operating grants	47,505,320	39,019,899
Capital grants	434,322	179,322
Total grant revenues	<u>53,718,092</u>	<u>45,162,332</u>
General revenues		
Taxes	62,938,772	59,198,920
Grants and entitlements	42,754,582	44,495,414
Earnings on investments	281,332	397,798
Other local sources	226,628	6,051,783
Total general revenues	<u>106,201,314</u>	<u>110,143,915</u>
Total revenues	<u>159,919,406</u>	<u>155,306,247</u>
Expenses		
Program activities		
Instructional	91,636,562	93,139,017
Student support services	10,173,986	8,778,065
Staff support	6,117,136	5,856,793
District administration	2,333,538	2,166,967
School administration	7,898,705	7,848,047
Business support	3,836,502	4,747,580
Plant operations	(2,403,661)	10,160,590
Student transportation	7,508,738	7,977,433
Food service operation	190,961	-
Day care	1,315,937	111,530
Community service	124,914	112,923
Facilities	16,319,177	1,505,762
Interest on long-term debt	4,563,396	4,811,042
Business-type activities		
Food service operation	4,004,736	5,063,350
Day care	224,967	2,743,109
Total expenses	<u>153,845,594</u>	<u>155,022,208</u>
Change in net position	<u>\$ 6,073,812</u>	<u>\$ 284,039</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 Dr. Jason Radford 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, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and cash equivalents	\$ 38,581,551	\$ 3,621,168	\$ 42,202,719
Accounts receivable	1,958,706	233,289	2,191,995
Interfund receivable	316	1,178	1,494
Prepaid expenses	56,335	-	56,335
Inventories for consumption	-	154,433	154,433
Total current	<u>40,596,908</u>	<u>4,010,068</u>	<u>44,606,976</u>
Noncurrent:			
Construction in progress	16,660,763	-	16,660,763
Nondepreciated capital assets:			
Land	12,704,302	-	12,704,302
Depreciated capital assets:			
Land improvements	5,266,702	-	5,266,702
Buildings and improvements	299,259,013	7,271,547	306,530,560
Furniture and equipment	31,652,259	1,837,391	33,489,650
Less: accumulated depreciation	<u>(128,970,971)</u>	<u>(4,133,449)</u>	<u>(133,104,420)</u>
Total noncurrent	<u>236,572,068</u>	<u>4,975,489</u>	<u>241,547,557</u>
Total assets	<u>277,168,976</u>	<u>8,985,557</u>	<u>286,154,533</u>
Deferred outflows			
Deferred loss from refunding bonds	2,679,174	-	2,679,174
Deferred outflows from pension and OPEB liabilities	<u>20,632,230</u>	<u>2,153,475</u>	<u>22,785,705</u>
Total deferred outflows	<u>23,311,404</u>	<u>2,153,475</u>	<u>25,464,879</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	10,441,150	-	10,441,150
Accounts payable	1,465,358	16,569	1,481,927
Accrued interest	1,085,805	-	1,085,805
Accrued sick and vacation leave	393,687	-	393,687
Accrued payroll and related expenses	2,983,986	-	2,983,986
Unearned revenues	746,405	-	746,405
Interfund payable	1,494	-	1,494
Total current	<u>17,117,885</u>	<u>16,569</u>	<u>17,134,454</u>
Noncurrent:			
Accrued sick and vacation leave	1,069,645	-	1,069,645
MIF net OPEB liability	38,154,249	2,090,596	40,244,845
CERS net pension liability	43,678,381	6,642,335	50,320,716
Bond obligations	<u>125,174,840</u>	<u>-</u>	<u>125,174,840</u>
Total noncurrent	<u>208,077,115</u>	<u>8,732,931</u>	<u>216,810,046</u>
Total liabilities	<u>225,195,000</u>	<u>8,749,500</u>	<u>233,944,500</u>
Deferred inflows	<u>14,326,870</u>	<u>555,050</u>	<u>14,881,920</u>
Net Position			
Invested in capital assets, net of related debt	99,870,273	4,975,489	104,845,762
Restricted	17,129,308	(6,963,894)	10,165,414
Unrestricted	<u>(56,041,071)</u>	<u>3,822,887</u>	<u>(52,218,184)</u>
Total net position	<u>\$ 60,958,510</u>	<u>\$ 1,834,482</u>	<u>\$ 62,792,992</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, 2021**

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	\$ 91,636,562	\$ 3,681,463	\$ 31,754,442	\$ -	\$ (56,200,657)	\$ -	\$ (56,200,657)
Student support services	10,173,986	-	2,326,997	-	(7,846,989)	-	(7,846,989)
Staff support services	6,117,136	29,081	2,193,453	-	(3,894,602)	-	(3,894,602)
District administration	2,333,538	-	983,049	-	(1,350,489)	-	(1,350,489)
School administration	7,898,705	-	1,031,580	-	(6,867,125)	-	(6,867,125)
Business support services	3,836,502	-	910,409	-	(2,926,093)	-	(2,926,093)
Plant operation and maintenance	(2,403,661)	92,307	1,279,777	-	3,775,745	-	3,775,745
Student transportation	7,508,738	19,682	710,275	-	(6,778,781)	-	(6,778,781)
Food Service	190,961	-	190,961	-	-	-	-
Daycare operations	1,315,937	-	1,315,937	-	-	-	-
Community service operations	124,914	-	93,701	-	(31,213)	-	(31,213)
Facility acquisition and construction	16,319,177	-	693,924	-	(15,625,253)	-	(15,625,253)
Other	-	-	-	-	-	-	-
Interest on long-term debt	4,563,396	-	-	434,322	(4,129,074)	-	(4,129,074)
Total governmental activities	149,615,891	3,822,533	43,484,505	434,322	(101,874,531)	-	(101,874,531)
Business-type activities							
Food service	4,004,736	158,418	3,952,476	-	-	106,158	106,158
Daycare	224,967	1,797,499	68,339	-	-	1,640,871	1,640,871
Total business-type activities	4,229,703	1,955,917	4,020,815	-	-	1,747,029	1,747,029
Total school district	\$ 153,845,594	\$ 5,778,450	\$ 47,505,320	\$ 434,322	(101,874,531)	1,747,029	(100,127,502)
General revenues:							
					62,938,772	-	62,938,772
					42,754,582	-	42,754,582
					266,300	15,032	281,332
					200,830	-	200,830
					Special items:		
					25,798	-	25,798
					705,826	(705,826)	-
					106,892,108	(690,794)	106,201,314
					Total general and special revenues		
					5,017,577	1,056,235	6,073,812
					Change in net position		
					55,940,933	778,247	56,719,180
					Net position - beginning		
					\$ 60,958,510	\$ 1,834,482	\$ 62,792,992
					Net position - ending		

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

**Balance Sheet – Governmental Funds
As of June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Building Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Current:							
Cash and cash equivalents (deficit)	\$ 20,835,174	\$ (401,156)	\$ 1,397,017	\$ 9,488,433	\$ 4,200,559	\$ 3,061,524	\$ 38,581,551
Investments	-	-	-	-	-	-	-
Accounts and grants receivable	780,922	1,152,230	-	-	-	25,554	1,958,706
Prepaid expenses	56,335	-	-	-	-	-	56,335
Miscellaneous receivable	-	-	-	-	-	-	-
Due from other funds	316	-	-	-	-	-	316
Total assets	<u>\$ 21,672,747</u>	<u>\$ 751,074</u>	<u>\$ 1,397,017</u>	<u>\$ 9,488,433</u>	<u>\$ 4,200,559</u>	<u>\$ 3,087,078</u>	<u>\$ 40,596,908</u>
Liabilities and Fund Balances							
Liabilities							
Current:							
Accounts payable	\$ 418,404	\$ 3,175	\$ 996,993	\$ -	\$ -	\$ 46,786	\$ 1,465,358
Accrued payroll and related expenses	2,983,986	-	-	-	-	-	2,983,986
Unearned revenue	-	746,405	-	-	-	-	746,405
Current portion of accrued sick leave	393,687	-	-	-	-	-	393,687
Interfund payable	-	1,494	-	-	-	-	1,494
Total liabilities	<u>3,796,077</u>	<u>751,074</u>	<u>996,993</u>	<u>-</u>	<u>-</u>	<u>46,786</u>	<u>5,590,930</u>
Fund Balances							
Nonspendable	56,335	-	-	-	-	-	56,335
Restricted:							
Capital projects	-	-	400,024	9,488,433	4,200,559	-	14,089,016
Other	-	-	-	-	-	3,040,292	3,040,292
Assigned:							
Site based carryforward	695,455	-	-	-	-	-	695,455
Purchase obligations	1,097,108	-	-	-	-	-	1,097,108
Unassigned	16,027,772	-	-	-	-	-	16,027,772
Total fund balances	<u>17,876,670</u>	<u>-</u>	<u>400,024</u>	<u>9,488,433</u>	<u>4,200,559</u>	<u>3,040,292</u>	<u>35,005,978</u>
Total liabilities and fund balances	<u>\$ 21,672,747</u>	<u>\$ 751,074</u>	<u>\$ 1,397,017</u>	<u>\$ 9,488,433</u>	<u>\$ 4,200,559</u>	<u>\$ 3,087,078</u>	<u>\$ 40,596,908</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, 2021**

Total governmental fund balance		\$ 35,005,978
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	16,660,763	
Cost of capital assets	348,882,276	
Accumulated depreciation	<u>(128,970,971)</u>	236,572,068
Deferred outflows related to CERS	5,362,697	
Deferred outflows for CERS contributions made after the measurement date	2,573,393	
Deferred outflows for MIF contributions made after the measurement date	2,656,186	
Deferred outflows related to MIF	10,039,954	
Deferred outflows for bond refinancing	<u>2,679,174</u>	23,311,404
Deferred inflows related to CERS	(913,711)	
Deferred inflows related to MIF	<u>(13,413,159)</u>	(14,326,870)
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 (also includes current liability)		(135,615,990)
Accrued interest on bonds		(1,085,805)
Net pension liability		(43,678,381)
Net OPEB liability		(38,154,249)
Accrued sick leave		<u>(1,069,645)</u>
Total net position - governmental		<u>\$ 60,958,510</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, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Building Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes	\$ 48,003,688	\$ -	\$ -	\$ 14,827,809	\$ -	\$ -	\$ 62,831,497
Earnings on investments	120,076	-	73,319	46,592	22,200	4,113	266,300
State sources	69,492,834	4,587,540	-	4,582,233	1,162,041	434,322	80,258,970
Federal sources	217,437	4,997,405	-	-	-	-	5,214,842
Other local sources	1,093,438	230,249	-	-	-	4,006,546	5,330,233
Total revenues	118,927,473	9,815,194	73,319	19,456,634	1,184,241	4,444,981	153,901,842
Expenditures							
Instructional	79,509,259	2,981,780	-	-	-	3,121,499	85,612,538
Student support services	8,122,580	1,216,851	-	-	-	-	9,339,431
Staff support services	4,348,031	1,638,510	-	-	-	29,091	6,015,632
District administration	1,032,542	892,074	-	222,417	-	-	2,147,033
School administration	7,429,071	-	-	-	-	-	7,429,071
Business support services	2,925,410	462,522	-	-	-	-	3,387,932
Plant operation and maintenance	8,500,269	643,573	-	-	-	92,307	9,236,149
Student transportation	6,938,282	77,073	-	-	-	19,682	7,035,037
Food service operation	-	190,961	-	-	-	-	190,961
Daycare operations	-	1,315,937	-	-	-	-	1,315,937
Community service operations	224	93,701	-	-	-	-	93,925
Facility acquisition and construction	1,165,253	693,924	11,368,456	-	-	-	13,227,633
Debt service:							
Principal	-	-	-	-	-	9,960,000	9,960,000
Interest	-	-	-	-	-	4,737,421	4,737,421
Other	-	-	-	-	-	39,889	39,889
Total expenditures	119,970,921	10,206,906	11,368,456	222,417	-	17,999,889	159,768,589
Excess (deficit) of revenues over expenditures	(1,043,448)	(391,712)	(11,295,137)	19,234,217	1,184,241	(13,554,908)	(5,866,747)
Other financing sources (uses)							
Loan and bond proceeds from refunds	-	-	-	-	-	1,960,000	1,960,000
Proceeds of school building revenue bonds	1,543,856	-	-	-	-	-	1,543,856
Bond premium	-	-	-	-	-	12,341	12,341
Refinanced bonds	-	-	-	-	-	(1,932,452)	(1,932,452)
Proceeds from sale of assets	25,798	-	-	-	-	-	25,798
Operating transfers in	1,165,217	514,177	751,250	-	-	14,263,159	16,693,803
Operating transfers out	(276,089)	(122,465)	-	(14,558,599)	(526,439)	(504,385)	(15,987,977)
Total other financing sources (uses)	2,458,782	391,712	751,250	(14,558,599)	(526,439)	13,798,663	2,315,369
Net change in fund balance	1,415,334	-	(10,543,887)	4,675,618	657,802	243,755	(3,551,378)
Fund balance, July 1, 2020	16,461,336	-	10,943,911	4,812,815	3,542,757	2,796,537	38,557,356
Fund balance, June 30, 2021	\$ 17,876,670	\$ -	\$ 400,024	\$ 9,488,433	\$ 4,200,559	\$ 3,040,292	\$ 35,005,978

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, 2021**

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

Net changes-governmental funds		\$ (3,551,378)
<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	(9,867,345)	
Capital outlays	<u>14,625,639</u>	4,758,294
<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		9,960,000
Bond proceeds		(3,503,856)
Bond refunding		1,970,411
Bond premium		(12,341)
Amortization of bond refinancing		(644,820)
Amortization of bond discount and premium, net		745,721
Changes in non-current accrued sick and vacation leave		138
Accrued bond interest payable		75,055
Deferred outflows related to pensions		(447,294)
Deferred outflows related to other post-retirement employee benefits		4,858,327
Deferred inflows related to pensions		879,278
Deferred inflows related to other post-retirement employee benefits		(3,009,848)
Changes in CERS net pension liability		(5,467,810)
Changes in MIF net OPEB liability		(1,601,520)
Multi-employer insurance trust liability is reported as an expense		<u>9,220</u>
Changes in net position of governmental activities		<u>\$ 5,017,577</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, 2021**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents	\$ 1,698,950	\$ 1,922,218	\$ 3,621,168
Accounts receivable	233,289	-	233,289
Inventories for consumption	154,433	-	154,433
Interfund receivable	38	1,140	1,178
Total current	<u>2,086,710</u>	<u>1,923,358</u>	<u>4,010,068</u>
Noncurrent			
Buildings and Improvements	7,271,547	-	7,271,547
Furniture and Fixtures	1,837,391	-	1,837,391
Less: accumulated depreciation	<u>(4,133,449)</u>	<u>-</u>	<u>(4,133,449)</u>
Total noncurrent	<u>4,975,489</u>	<u>-</u>	<u>4,975,489</u>
Total assets	<u>7,062,199</u>	<u>1,923,358</u>	<u>8,985,557</u>
Deferred outflows	<u>1,180,354</u>	<u>973,121</u>	<u>2,153,475</u>
Liabilities and Net Position			
Liabilities			
Current			
Accounts payable	-	16,569	16,569
Total current	<u>-</u>	<u>16,569</u>	<u>16,569</u>
Noncurrent			
MIF net OPEB liability	1,145,890	944,706	2,090,596
CERS net pension liability	<u>3,640,771</u>	<u>3,001,564</u>	<u>6,642,335</u>
Total noncurrent	<u>4,786,661</u>	<u>3,946,270</u>	<u>8,732,931</u>
Total liabilities	<u>4,786,661</u>	<u>3,962,839</u>	<u>8,749,500</u>
Deferred inflows	<u>304,232</u>	<u>250,818</u>	<u>555,050</u>
Net Position			
Invested in assets, net of debt	4,975,489	-	4,975,489
Restricted	(3,756,106)	(3,207,788)	(6,963,894)
Unrestricted	<u>1,932,277</u>	<u>1,890,610</u>	<u>3,822,887</u>
Total net position	<u>\$ 3,151,660</u>	<u>\$ (1,317,178)</u>	<u>\$ 1,834,482</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, 2021**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Operating revenues			
Lunchroom sales	\$ 157,165	\$ -	\$ 157,165
Other operating revenues	1,253	1,797,499	1,798,752
Total operating revenues	<u>158,418</u>	<u>1,797,499</u>	<u>1,955,917</u>
Operating expenses			
Salaries and benefits	2,414,021	62,377	2,476,398
Contract services	59,670	8,719	68,389
Materials and supplies	1,334,567	105,848	1,440,415
Depreciation	183,675	-	183,675
Other operating expenses	12,803	48,023	60,826
Total operating expenses	<u>4,004,736</u>	<u>224,967</u>	<u>4,229,703</u>
Operating income (loss)	<u>(3,846,318)</u>	<u>1,572,532</u>	<u>(2,273,786)</u>
Nonoperating revenues (expenses)			
Federal grants	3,551,784	-	3,551,784
State grants	47,394	-	47,394
On-behalf revenues	241,033	68,339	309,372
Donated commodities and other donations	112,265	-	112,265
Transfers out	(191,667)	(514,159)	(705,826)
Interest income	7,102	7,930	15,032
Total nonoperating revenues	<u>3,767,911</u>	<u>(437,890)</u>	<u>3,330,021</u>
Change in net position	(78,407)	1,134,642	1,056,235
Total net position, July 1, 2020	<u>3,230,067</u>	<u>(2,451,820)</u>	<u>778,247</u>
Total net position, June 30, 2021	<u>\$ 3,151,660</u>	<u>\$ (1,317,178)</u>	<u>\$ 1,834,482</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, 2021**

	Food Service Fund	Daycare Fund	Total
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities			
Cash received from:			
Lunchroom sales	\$ 158,418	\$ -	\$ 158,418
Daycare fees	-	1,797,499	1,797,499
Cash paid to/for:			
Employees and contract services	(1,754,146)	(520,136)	(2,274,282)
Materials and supplies	(1,245,141)	(167,281)	(1,412,422)
Cash transfers	(191,667)	(514,159)	(705,826)
Other	(12,803)	(48,023)	(60,826)
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(3,045,339)	547,900	(2,497,439)
Cash flows from capital and financing activities			
Purchase of capital assets	(28,668)	-	(28,668)
Cash flows from noncapital financing activities			
Non-operating revenues received	3,608,477	-	3,608,477
Cash flows from investing activities			
Interest on investments	7,102	7,930	15,032
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	541,572	555,830	1,097,402
Cash and cash equivalents - beginning	1,157,378	1,366,388	2,523,766
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents - ending	\$ 1,698,950	\$ 1,922,218	\$ 3,621,168
	<hr/>	<hr/>	<hr/>
Reconciliation of operating loss to net cash used in operating activities			
Operating income (loss)	\$ (3,846,318)	\$ 1,572,532	\$ (2,273,786)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	183,675	-	183,675
On-behalf payments	241,033	68,339	309,372
Commodities used	112,265	-	112,265
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	9,299	-	9,299
(Increase) decrease in interfund receivable	(38)	(1,140)	(1,178)
(Decrease) in accounts payable	-	(51,574)	(51,574)
Decrease in deferred outflows	(165,124)	117,231	(47,893)
Increase in deferred inflows	(142,493)	(228,963)	(371,456)
(Decrease) in MIF net OPEB liability	362,452	103,297	465,749
Increase in CERS net pension liability	364,007	(517,663)	(153,656)
(Increase) in inventories	36,869	-	36,869
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	\$ (2,844,373)	\$ 1,062,059	\$ (1,782,314)
	<hr/>	<hr/>	<hr/>
Schedule of non-cash transactions:			
Donated commodities received from federal government	\$ 112,265	\$ -	\$ 112,265
On behalf payments	\$ 241,033	\$ 68,339	\$ 309,372

The accompanying notes are an integral part of these financial statements

OLDHAM COUNTY SCHOOL DISTRICT

Statement of Fiduciary Net Position
As of June 30, 2021

	<u>Fiduciary Funds</u>
Assets	
Cash and cash equivalents	\$ 4,931
Investments	<u>1</u>
Total assets	<u>4,932</u>
Net Position	
Restricted - other	<u>4,932</u>
Total net position	<u>\$ 4,932</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, 2021

	<u>Fiduciary Funds</u>
Additions	
Net interest and investment gains	\$ -
Deductions	
Business support services	122
Community services	<u>1,500</u>
Total deductions	<u>1,622</u>
Net change in net position	(1,622)
Net position, July 1, 2020	<u>6,554</u>
Net position, June 30, 2021	<u>\$ 4,932</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 pages 75-76. 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) 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.
- (E) 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 \$400,024 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 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:

OLDHAM COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<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

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, 2021 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Land	\$ 12,579,402	\$ 124,900	\$ -	\$ 12,704,302
Land improvements	4,269,126	997,576	-	5,266,702
Buildings and improvements	283,071,853	13,492,229	-	296,564,082
Technology equipment	8,179,192	349,622	192,825	8,335,989
Vehicles	16,828,714	1,778,159	152,742	18,454,131
General equipment	3,986,607	875,532	-	4,862,139
Infrastructure	2,694,931	-	-	2,694,931
Construction work in progress	19,653,142	12,611,909	15,604,288	16,660,763
Totals at historical cost	<u>351,262,967</u>	<u>30,229,927</u>	<u>15,949,855</u>	<u>365,543,039</u>
Less: accumulated depreciation				
Land improvements	2,081,511	145,812	-	2,227,323
Buildings and improvements	94,731,894	7,611,657	-	102,343,551
Technology equipment	5,751,512	710,133	192,825	6,268,820
Vehicles	12,976,595	988,712	152,742	13,812,565
General equipment	2,371,617	277,009	-	2,648,626
Infrastructure	1,536,064	134,022	-	1,670,086
Total accumulated depreciation	<u>119,449,193</u>	<u>9,867,345</u>	<u>345,567</u>	<u>128,970,971</u>
Governmental activities capital assets - net	<u>\$ 231,813,774</u>	<u>\$ 20,362,582</u>	<u>\$ 15,604,288</u>	<u>\$ 236,572,068</u>
 <u>Business - Type Activities</u>				
General equipment	\$ 1,751,765	\$ 28,668	\$ -	\$ 1,780,433
Buildings and improvements	7,271,547	-	-	7,271,547
Vehicles	43,409	-	-	43,409
Technology equipment	13,549	-	-	13,549
Totals at historical cost	<u>9,080,270</u>	<u>28,668</u>	<u>-</u>	<u>9,108,938</u>
Less: accumulated depreciation				
General equipment	1,440,513	36,587	-	1,477,100
Buildings and improvements	2,471,367	142,931	-	2,614,298
Vehicles	24,357	4,157	-	28,514
Technology equipment	13,537	-	-	13,537
Total accumulated depreciation	<u>3,949,774</u>	<u>183,675</u>	<u>-</u>	<u>4,133,449</u>
Business - type activities capital assets - net	<u>\$ 5,130,496</u>	<u>\$ (155,007)</u>	<u>\$ -</u>	<u>\$ 4,975,489</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, 2021 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 6,217,742	\$ -
Staff support services	500	-
District administration	73,304	-
School administration	219	-
Business support services	85	-
Plant operation and maintenance	2,498,897	-
Food service	-	183,675
Student transportation	1,076,598	-
Total	<u>\$ 9,867,345</u>	<u>\$ 183,675</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, 2021 is as follows:

Balance as of June 30, 2020	\$ 1,474,216
Additions/increases to estimate	246,716
Less payments of sick hours at retirement	<u>(257,600)</u>
Balance as of June 30, 2021	1,463,332
Less current portion	<u>393,687</u>
Non-current portion	<u>\$ 1,069,645</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:

Issue Date	Proceeds	Rates
August 1, 2010	\$ 3,980,000	0.50% - 2.70%
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%
November 4, 2020	1,960,000	1.00% - 1.50%
April 6, 2021	1,543,856	1.25% - 1.50%

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, 2021 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, 2021, was \$4,495,623, which consisted of \$3,647,477 from the District and \$848,147 from the employees. Total contributions for the year ended June 30, 2020 and 2019 were \$5,039,958 and \$6,109,787, respectively. The contributions have been contributed in full for fiscal years 2021, 2020 and 2019.

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, 2021, was \$9,693,311, which consisted of \$2,012,147 from the District and \$7,681,164 from the employees. Total contributions for the year ended June 30, 2020 and 2019 were \$9,512,207 and \$9,142,391, respectively. The contributions have been contributed in full for fiscal years 2021, 2020 and 2019.

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, 2021, 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	\$ 50,320,716
Commonwealth's proportionate share of the TRS net pension liability associated with the District	<u>258,779,560</u>
	<u>\$ 309,100,276</u>

The net pension liability for each plan was measured as of June 30, 2020, 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, 2021, the District's proportion was 0.656079% percent.

For the year ended June 30, 2021, the District recognized pension expense of \$4,254,934 related to CERS. The District also recognized a reduction of expense of \$18,731,003 and a reduction of revenue of \$18,731,003 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2021, 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	\$ 1,254,839	\$ -
Net difference between projected and actual earnings on pension plan investments	2,181,234	922,021
Changes of assumptions	1,964,939	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	777,210	130,642
District contributions subsequent to the measurement date	<u>2,964,739</u>	<u>-</u>
Total	<u>\$ 9,142,961</u>	<u>\$ 1,052,663</u>

OLDHAM COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

\$3,647,477 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, 2022. 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:	
2022	\$ 2,299,244
2023	1,660,582
2024	660,003
2025	505,730
2026	-

Actuarial assumptions

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

	CERS	TRS
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 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:

Asset Class	TRS Target Allocation	TRS Long-Term Expected Real Rate of Return	CERS Target Allocation	CERS Long-Term Expected Real Rate of Return
US equity	40.0%	4.60%	18.8%	4.50%
International equity	22.0%	22.00%	18.8%	5.25%
Core bonds			13.5%	-0.25%
Private equity	7.0%	7.70%	10.0%	6.65%
High yield			15.0%	3.90%
Fixed income	15.0%	0.00%		
Additional categories	8.0%	2.50%		
Real estate	6.0%	4.30%	5.0%	5.30%
Opportunistic			3.0%	2.25%
Real return			15.0%	3.95%
Cash	2.0%	-0.50%	1.0%	-0.75%
Total	100%		100%	

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 TRS 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:

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 62,056,393	\$ 50,320,716	\$ 40,603,130
TRS	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 Statutes 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, 2021, the Oldham County Schools District reported a liability of \$40,244,845 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, 2020, 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, 2020, the District's proportion was 0.96710% percent for TRS, which was an increase of 0.03% from its proportion measured as of June 30, 2019, and 0.655894% percent for CERS, which was a increase of 0.016% from its proportion measured as of June 30, 2019.

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	\$ 15,837,845
District's proportionate share of the TRS net OPEB liability	24,407,000
State's proportionate share of the net OPEB liability associated with the District	<u>19,551,000</u>
	<u>\$ 59,795,845</u>

OLDHAM COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2021, the District recognized OPEB expense of \$4,885,603 and revenue of \$1,368,140 for support provided by the State. At June 30, 2021, 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	\$ 2,646,172	\$ 13,053,238
Net difference between projected and actual earnings on OPEB plan investments	1,643,584	323,172
Change of assumptions	4,234,849	16,753
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,365,434	436,094
District contributions subsequent to the measurement date	<u>2,752,705</u>	<u>-</u>
Total	<u>\$ 13,642,744</u>	<u>\$ 13,829,257</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,507,909 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, 2022. 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:	
2022	\$ (409,662)
2023	(192,875)
2024	(503,315)
2025	(409,310)
2026	(1,043,056)
Thereafter	(381,000)

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, 2021 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	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years
Ages 65 and Older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022	Initial trend starting at 5.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years
Medicare Part B Premiums	6.49% for FY 2020 with an ultimate rate of 5.00% by 2031	
Municipal Bond Index Rate	2.19%	2.45%
Discount Rate	8.00%	5.34%
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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.4%
Fixed Income	9.0%	0.0%
Real Estate	6.5%	4.3%
Private Equity	8.5%	7.7%
Other Additional Categories	17.0%	2.5%
Cash (LIBOR)	1.0%	-0.5%
Total	100.0%	

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 5.34%. 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:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
TRS			
Districts' net OPEB liability	\$ 29,499,000	\$ 24,407,000	\$ 20,156,000
	1% Decrease (4.34%)	Current Discount Rate (5.34%)	1% Increase (6.34%)
CERS			
Districts' net OPEB liability	\$ 20,346,982	\$ 15,837,845	\$ 12,134,342

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:

	1% Decrease	Current Trend Rate	1% Increase
TRS			
Districts' net OPEB liability	\$ 19,345,000	\$ 24,407,000	\$ 30,644,000
	1% Decrease	Current Trend Rate	1% Increase
CERS			
Districts' net OPEB liability	\$ 12,262,451	\$ 15,837,845	\$ 20,176,671

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, 2021, 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		591,000
	\$	591,000

For the year ended June 30, 2020, the District recognized OPEB expense of \$-0- and revenue of \$28,466 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. Equity	40.0%	4.6%
International Equity	23.0%	5.6%
Fixed Income	18.0%	0.0%
Real Estate	6.0%	4.3%
Private Equity	5.0%	7.7%
Other Additional Categories	6.0%	2.5%
Cash (LIBOR)	2.0%	-0.5%
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:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
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, 2021 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 \$1,317,178. 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:

Construction Fund	\$ 10,543,887
Food Service Fund	78,407
School activity funds:	
North Oldham High School	10,847
South Oldham Middle School	2,616
Buckner Elementary	493
Camden Elementary	610
Centerfield Elementary	1,401
Goshen Elementary	1,069
Lagrange Elementary	4,046
Locust Grove Elementary	415

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.

From Fund	To Fund	Purpose	Amount
Building	Debt Service	Debt Service	\$ 14,263,099
Building	Construction	Construction	295,500
Capital Outlay	Construction	Construction	375,750
Capital Outlay	General	Technology	150,689
Day Care	General	Operating	487,133
Day Care	Special Revenue	Technology	27,026
District Activities	General	Operating	213,263
District Activities	Special Revenue	Technology matching	291,062
Food Service	General	Indirect Cost	191,667
General	Special Revenue	Technology matching	191,089
General	Construction	Construction	80,000
General	Special Revenue	Community Education	5,000
School Activities	District Activities	District Activities	60
Special Revenue	General	Operating	122,465

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2021 total payments of \$33,443,658 were made for life insurance, health insurance, TRS 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	\$ 18,731,003
Health insurance and other payroll-related payments	12,672,552
Other post-employment benefits	1,396,606
Debt service	434,322
Technology	209,175
Total On-Behalf	<u>\$ 33,443,658</u>

OLDHAM COUNTY SCHOOL DISTRICT

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

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2010B-REF, 2011-REF, 2012, 2012-REF, 2012B-REF, 2013, 2015, 2016-REF, 2016, 2016B-REF, 2018,
2020-REF, and 2021-KISTA ISSUES

FISCAL YEAR	OLDHAM COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2021-2022	\$ 10,098,240	\$ 4,372,775	\$ 14,471,015	\$ 342,910	\$ 91,412	\$ 434,322	\$ 14,905,337
2022-2023	10,373,767	4,096,892	14,470,659	352,383	81,939	434,322	14,904,981
2023-2024	10,622,932	3,826,523	14,449,455	328,201	72,398	400,599	14,850,054
2024-2025	10,851,088	3,596,100	14,447,188	161,546	64,266	225,812	14,673,000
2025-2026	11,337,127	3,110,058	14,447,185	167,509	58,304	225,813	14,672,998
2026-2027	11,861,871	2,592,631	14,454,502	174,767	51,977	226,744	14,681,246
2027-2028	13,057,250	1,876,430	14,933,680	176,389	45,417	221,806	15,155,486
2028-2029	5,817,477	1,574,830	7,392,307	169,165	38,986	208,151	7,600,458
2029-2030	6,346,552	1,409,425	7,755,977	175,564	32,586	208,150	7,964,127
2030-2031	6,486,873	1,227,442	7,714,315	182,245	25,905	208,150	7,922,465
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>\$ 128,953,535</u>	<u>\$ 30,903,590</u>	<u>\$ 159,857,125</u>	<u>\$ 2,810,321</u>	<u>\$ 600,259</u>	<u>\$ 3,410,580</u>	<u>\$ 163,267,705</u>

A summary of the changes in the principal of the outstanding bond obligations for the District during the year ended June 30, 2021 is as follows:

Governmental Activities	Balance July 1, 2020	Additions	Payments	Balance June 30, 2021
Bond Obligations	\$ 140,115,000	\$ 1,608,856	\$ 9,960,000	\$ 131,763,856
Bond Premium	\$ 5,486,433	\$ 12,341	\$ 919,654	\$ 4,579,120
Bond Discount	\$ (900,919)	\$ -	\$ (173,933)	\$ (726,986)

NOTE 17 COVID-19

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.

NOTE 18 SUBSEQUENT EVENTS

Subsequent events were considered through November 15, 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, 2021**

	<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	\$ 2,048,907	\$ -	\$ 1,012,617	\$ 3,061,524
Accounts receivable	-	-	25,554	25,554
Total assets	<u>\$ 2,048,907</u>	<u>\$ -</u>	<u>\$ 1,038,171</u>	<u>\$ 3,087,078</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 9,692	\$ -	\$ 37,094	\$ 46,786
Total liabilities	<u>9,692</u>	<u>-</u>	<u>37,094</u>	<u>46,786</u>
Fund Balances:				
Restricted:				
Other	2,039,215	-	1,001,077	3,040,292
Total fund balances	<u>2,039,215</u>	<u>-</u>	<u>1,001,077</u>	<u>3,040,292</u>
Total liabilities and fund balances	<u>\$ 2,048,907</u>	<u>\$ -</u>	<u>\$ 1,038,171</u>	<u>\$ 3,087,078</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2021**

	District Activity Fund	Debt Service Fund	School Activity Fund	Total Nonmajor Government Funds
Revenues:				
Earnings on investments	\$ 4,113	\$ -	\$ -	\$ 4,113
State sources	-	434,322	-	434,322
Other sources	2,877,796	-	1,128,750	4,006,546
Total revenues	<u>2,881,909</u>	<u>434,322</u>	<u>1,128,750</u>	<u>4,444,981</u>
Expenditures:				
Instructional	2,039,366	-	1,082,133	3,121,499
Staff support services	29,091	-	-	29,091
Plant operation and maintenance	92,307	-	-	92,307
Student transportation	19,682	-	-	19,682
Debt service:				
Principal	-	9,960,000	-	9,960,000
Interest	-	4,737,421	-	4,737,421
Bond Issuance Cost	-	39,889	-	39,889
Total expenditures	<u>2,180,446</u>	<u>14,737,310</u>	<u>1,082,133</u>	<u>17,999,889</u>
Excess (deficit) of revenues over expenditures	<u>701,463</u>	<u>(14,302,988)</u>	<u>46,617</u>	<u>(13,554,908)</u>
Other Financing Sources (Uses)				
Proceeds from sale of bonds	-	1,960,000	-	1,960,000
Bond premium	-	12,341	-	12,341
Refinanced bonds	-	(1,932,452)	-	(1,932,452)
Operating transfers in	60	14,263,099	-	14,263,159
Operating transfers out	(504,325)	-	(60)	(504,385)
Total other financing sources(uses)	<u>(504,265)</u>	<u>14,302,988</u>	<u>(60)</u>	<u>13,798,663</u>
Net change in fund balance	197,198	-	46,557	243,755
Fund balance, July 1, 2020	1,842,017	-	954,520	2,796,537
Fund balance, June 30, 2021	<u>\$ 2,039,215</u>	<u>\$ -</u>	<u>\$ 1,001,077</u>	<u>\$ 3,040,292</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 46,729,500	\$ 46,729,500	\$ 48,003,688	\$ 1,274,188
Earnings on investments	138,000	138,000	120,076	(17,924)
State sources	68,606,708	68,657,997	69,492,834	834,837
Federal sources	341,000	341,000	217,437	(123,563)
Other sources	<u>560,460</u>	<u>560,460</u>	<u>1,093,438</u>	<u>532,978</u>
Total revenues	<u>116,375,668</u>	<u>116,426,957</u>	<u>118,927,473</u>	<u>2,500,516</u>
Expenditures				
Instructional	77,930,482	77,664,546	79,509,259	(1,844,713)
Student support services	7,586,215	8,105,700	8,122,580	(16,880)
Staff support services	4,722,805	4,787,955	4,348,031	439,924
District administration	2,001,020	2,001,020	1,032,542	968,478
School administration	7,570,205	7,570,205	7,429,071	141,134
Business support services	5,583,093	5,583,093	2,925,410	2,657,683
Plant operation and maintenance	8,884,279	8,884,279	8,500,269	384,010
Student transportation	6,838,760	7,005,080	6,938,282	66,798
Community service operations	7,330	7,330	224	7,106
Facility acquisition and construction	1,366,130	1,286,130	1,165,253	120,877
Contingency	<u>9,390,761</u>	<u>8,853,768</u>	<u>-</u>	<u>8,853,768</u>
Total expenditures	<u>131,881,080</u>	<u>131,749,106</u>	<u>119,970,921</u>	<u>11,778,185</u>
Excess/(deficit) of revenues over expenditures	(15,505,412)	(15,322,149)	(1,043,448)	(9,277,669)
Other Financing Sources/(Uses)				
Proceeds of school building revenue bonds	-	-	1,543,856	1,543,856
Proceeds from sale of assets	2,000	2,000	25,798	23,798
Operating transfer in	190,036	195,036	1,165,217	970,181
Operating transfer out	<u>(5,000)</u>	<u>(1,336,223)</u>	<u>(276,089)</u>	<u>(1,060,134)</u>
Total other financing	<u>187,036</u>	<u>(1,139,187)</u>	<u>2,458,782</u>	<u>1,477,701</u>
Net change in fund balance	(15,318,376)	(16,461,336)	1,415,334	17,876,670
Fund balance, July 1, 2020	<u>15,318,376</u>	<u>16,461,336</u>	<u>16,461,336</u>	<u>-</u>
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,876,670</u>	<u>\$ 17,876,670</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	\$ 1,876,673	\$ 4,208,279	\$ 4,587,540	\$ 379,261
Federal sources	3,357,597	11,098,395	4,997,405	(6,100,990)
Other sources	56,000	115,000	230,249	115,249
Total revenues	5,290,270	15,421,674	9,815,194	(5,606,480)
Expenditures				
Instructional	2,165,554	7,507,555	2,981,780	4,525,775
Student support services	1,531,636	1,924,385	1,216,851	707,534
Staff support services	1,502,478	1,710,758	1,638,510	72,248
District administration	-	2,302,226	892,074	1,410,152
Business support services	-	75,000	462,522	(387,522)
Plant operation and maintenance	-	57,138	643,573	(586,435)
Student transportation	-	82,663	77,073	5,590
Food service operation	-	102,074	190,961	(88,887)
Daycare operations	-	1,956,960	1,315,937	641,023
Community service operations	95,602	95,602	93,701	1,901
Facility acquisition and construction	-	-	693,924	(693,924)
Total expenditures	5,295,270	15,814,361	10,206,906	5,607,455
Excess (deficit) of revenues over expenditures	(5,000)	(392,687)	(391,712)	(975)
Other Financing Sources/(Uses)				
Operating transfers in	5,000	391,687	514,177	(122,490)
Operating transfers out	-	-	(122,465)	122,465
Total other finance sources	5,000	391,687	391,712	(25)
Net change in fund balance	-	(1,000)	-	(1,000)
Fund balance, July 1, 2020	-	-	-	-
Fund balance, June 30, 2021	\$ -	\$ (1,000)	\$ -	\$ (1,000)

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Fund
Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 15,178,952	\$ 15,178,952	\$ 14,827,809	\$ (351,143)
Earnings on investments	-	-	46,592	46,592
State sources	<u>4,582,233</u>	<u>4,582,233</u>	<u>4,582,233</u>	<u>-</u>
Total revenues	<u>19,761,185</u>	<u>19,761,185</u>	<u>19,456,634</u>	<u>(304,551)</u>
Expenditures				
District administration	227,684	227,684	222,417	5,267
Facility acquisition and construction	<u>5,237,210</u>	<u>(7,068,248)</u>	<u>-</u>	<u>(7,068,248)</u>
Total expenditures	<u>5,464,894</u>	<u>(6,840,564)</u>	<u>222,417</u>	<u>(7,068,248)</u>
Excess (deficit) of revenues over expenditures				
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(14,296,291)</u>	<u>(26,601,749)</u>	<u>(14,558,599)</u>	<u>12,043,150</u>
Total other financing sources/(uses)	<u>(14,296,291)</u>	<u>(26,601,749)</u>	<u>(14,558,599)</u>	<u>12,043,150</u>
Net change in fund balance	-	-	4,675,618	4,675,618
Fund balance, July 1, 2020	<u>-</u>	<u>-</u>	<u>4,812,815</u>	<u>4,812,815</u>
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,488,433</u>	<u>\$ 9,488,433</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2021**

	<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, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	691,475	2,264,460	258,860	37,453	585,463	233,075	1,916,000	699,743
Disbursements:								
Bonds paid	680,000	2,190,000	200,000	-	530,000	20,000	1,770,000	470,000
Interest coupons	11,475	74,460	58,860	37,453	55,463	213,075	146,000	229,743
Total disbursements	691,475	2,264,460	258,860	37,453	585,463	233,075	1,916,000	699,743
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2021	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<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>Issue of 2020 - Ref</u>	<u>Total</u>
Cash at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	800,997	662,226	1,903,750	649,850	2,946,666	943,114	104,289	14,593,132
Disbursements:								
Bonds paid	525,000	45,000	610,000	230,000	2,065,000	525,000	100,000	9,960,000
Interest coupons	275,997	617,226	1,293,750	419,850	881,666	418,114	4,289	4,737,421
Total disbursements	800,997	662,226	1,903,750	649,850	2,946,666	943,114	104,289	14,593,132
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2021	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Arvin Career Center School Activity Fund
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Engineering	\$ 311	\$ -	\$ -	\$ -	\$ 311	\$ -	\$ -	\$ 311
Field Trip	-	-	(44)	(14)	30	-	-	30
Field Trips BioMedical	618	-	-	14	632	-	-	632
Field Trips Nursing	410	-	-	-	410	-	-	410
General Fund	-	1	-	-	1	-	-	1
Indigent Student Fund	-	250	-	-	250	-	-	250
Vending - General	1179	344	380	-	1,143	23	55	1,111
YATP	102	43	-	-	145	-	118	27
	<u>\$ 2,620</u>	<u>\$ 638</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ 2,922</u>	<u>\$ 23</u>	<u>\$ 173</u>	<u>\$ 2,772</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
North Oldham High School Activity Fund
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Academic Team Club	\$ 2,117	\$ -	\$ 825	\$ -	\$ 1,292	\$ -	\$ -	\$ 1,292
Aces	180	-	-	-	180	-	-	180
Archery	3,198	3,964	5,740	(92)	1,330	-	-	1,330
Athletics	-	27,892	18,818	6,808	15,882	-	-	15,882
Band	42	1,424	876	-	590	-	-	590
Band - Marching	790	32,840	13,035	-	20,595	14,866	-	35,461
Baseball	4,473	740	4,894	-	319	-	-	319
Baseball- Districts	485	-	-	(485)	-	-	-	-
Basketbal - Boys	1,334	12,811	10,217	(116)	3,812	-	-	3,812
Basketball - Girls	1,715	498	1,627	(100)	486	-	-	486
Bass Fishing	81	1,044	607	(41)	477	-	-	477
Beta Club	697	3,380	3,149	-	928	-	-	928
Broadcast	986	-	-	-	986	-	-	986
Cash on Hand	-	2,500	2,500	-	-	-	-	-
Cast	1,417	1,006	1,470	-	953	-	-	953
Cheerleading	3,705	18,446	13,677	(189)	8,285	-	-	8,285
Chorus	39,641	8,699	43,365	-	4,975	-	-	4,975
Class of 2020	19,711	-	-	(19,711)	-	-	-	-
Class of 2021	5,461	2,980	14,091	14,000	8,350	-	2,562	5,788
Class of 2022	1,216	-	-	-	1,216	-	-	1,216
Class of 2023	648	-	-	-	648	-	-	648
Cross Country - Boys	6,479	4,264	3,769	2,787	9,761	-	-	9,761
Cross Country - Girls	46	1,435	3,552	2,965	894	-	-	894
Dance Team	7,119	545	470	-	7,194	-	-	7,194
Debate	742	-	282	-	460	-	-	460
District Tournament	-	1,715	1,395	-	320	-	-	320
Drama/creative writing	3,519	200	-	-	3,719	-	-	3,719
English	22	-	-	(22)	-	-	-	-
Environmental Club	118	-	-	-	118	-	-	118
FCA	130	-	-	-	130	-	-	130
Field Hockey	3,061	1,612	2,592	(133)	1,948	-	646	1,302
Field Trips	1,601	-	-	-	1,601	-	-	1,601
Field Trips Art	635	-	-	-	635	-	-	635
Field Trips English	370	-	-	-	370	-	-	370
Football	7,503	4,724	10,124	(189)	1,914	-	1,190	724
From Scratch	906	-	-	-	906	-	-	906
Gay/Straight Alliance	176	-	-	-	176	-	-	176
General	13,876	196	14,546	5,669	5,195	-	-	5,195
Girl Up	741	698	892	-	547	-	-	547

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
North Oldham High School Activity Fund (Continued)
For the Year Ended June 30, 2021**

	Fund Balance June 30, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Golf - Boys	\$ 4,012	\$ 967	\$ 2,320	\$ (81)	\$ 2,578	\$ -	\$ -	\$ 2,578
Golf - Girls	2,329	765	1,499	(37)	1,558	-	-	1,558
KYA/KUNA Y Clubs	12,065	3,675	4,690	-	11,050	-	-	11,050
Lacrosse - Boys	1,093	4,553	1,475	(175)	3,996	-	-	3,996
Lacrosse - Girls	13,425	3,076	8,040	(339)	8,122	-	-	8,122
Math/Science Honor Society	625	385	610	-	400	-	-	400
Media Center	735	-	-	-	735	-	-	735
Multicultural Club	115	-	-	-	115	-	-	115
Music Theater Troupe	2,600	-	-	-	2,600	-	-	2,600
National Arts Society	1,524	440	569	-	1,395	-	-	1,395
National Honor Society	9,534	3,570	4,953	-	8,151	-	-	8,151
Photography Club	13	-	-	-	13	-	-	13
Regional Host	-	3,527	2,930	(211)	386	-	-	386
Regional Tourn (Host)	-	2,998	-	-	2,998	-	-	2,998
Regional Tournament	-	13,693	11,332	(2,361)	-	-	-	-
Rumble Cross Country	-	20,675	14,385	(6,290)	-	-	-	-
Science Marine Biology	1,234	-	-	-	1,234	-	-	1,234
Soccer - Boys	271	10,553	5,266	(193)	5,365	-	-	5,365
Soccer - Girls	5,294	6,739	1,163	(159)	10,711	-	-	10,711
Soccer Tournament	904	-	-	(904)	-	-	-	-
Softball	5,551	9,521	6,858	-	8,214	-	-	8,214
Spanish Club	1	-	-	-	1	-	-	1
Speech Club	1,357	208	100	-	1,465	-	-	1,465
STEAM	1,692	-	211	-	1,481	-	-	1,481
Swim Team	451	5,686	5,629	(90)	418	-	-	418
Tennis - Boys	2,899	3,381	2,573	(117)	3,590	-	-	3,590
Track - Boys	8,895	5,105	4,511	142	9,631	105	39	9,697
Track - Girls	3,500	4,646	3,176	(50)	4,920	-	-	4,920
Track Invitational	-	4,259	894	-	3,365	-	-	3,365
Track Meet	-	2,186	1,415	-	771	-	-	771
Tri M Music Honor	192	-	-	-	192	-	-	192
Vending - Student	4,125	-	-	-	4,125	-	-	4,125
Volleyball	1,844	4,636	2,059	(104)	4,317	1,750	-	6,067
Volleyball Districts	-	1,897	1,646	(251)	-	-	-	-
Winter Guard	144	550	757	63	-	-	-	-
Women's Leadership	1,583	-	-	-	1,583	-	-	1,583
Wrestling	4,111	1,669	3,027	787	3,540	-	-	3,540
Wrestling Classic	-	3,510	2,551	(959)	-	-	-	-
XC Regionals	-	1,566	1,744	178	-	-	-	-
Total	\$ 227,059	\$ 258,049	\$ 268,896	\$ -	\$ 216,212	\$ 16,721	\$ 4,437	\$ 228,496

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Oldham County High School Activity Fund
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Archery	\$ 5,938	\$ 550	\$ 1,740	\$ -	\$ 4,748	\$ -	\$ -	\$ 4,748
Art Club	283	45	254	-	74	-	-	74
Athletics	2,905	64,037	59,718	(111)	7,113	2,450	810	8,753
Baseball	3,543	1,485	4,230	40	838	-	-	838
Basketball - Boys	3,535	-	1,754	-	1,781	-	-	1,781
Basketball - Girls	4,996	5,426	7,727	-	2,695	-	-	2,695
Bass Fishing	3,352	5,372	5,927	-	2,797	-	-	2,797
Beta Club	1,430	2,555	2,187	-	1,798	-	-	1,798
Broadcast Journalism	2,421	-	-	-	2,421	-	-	2,421
Canstruction	114	-	-	-	114	-	-	114
Cash on Hand	-	1,600	1,600	-	-	-	-	-
Cheerleading	724	23,574	17,122	(124)	7,052	-	-	7,052
Choir	550	3,775	2,132	-	2,193	-	-	2,193
Class of 2022	129	720	-	-	849	-	-	849
Class of 2023	26,175	80	11,623	-	14,632	-	-	14,632
Cross Country	6,225	11,933	7,521	-	10,637	-	-	10,637
Dance Team	1,345	1,743	617	(130)	2,341	-	-	2,341
Diversity Club	87	-	-	(87)	-	-	-	-
Elevator Key	20	10	30	-	-	-	-	-
English Field Trips	659	-	-	-	659	-	-	659
FBLA Club	427	-	-	-	427	-	-	427
FFA	1,778	6,468	3,537	-	4,709	-	-	4,709
Football	14	-	-	-	14	-	-	14
General	318	64	378	87	91	-	88	3
Golf - Boys	764	8,127	6,400	-	2,491	-	-	2,491
Golf - Girls	-	1,625	1,282	-	343	-	-	343
GSA/Pride Alliance	59	-	-	-	59	-	-	59
Industrial Art Club	2,982	-	723	-	2,259	-	-	2,259
KYA-KUNA Y Clubs	2,087	1,845	2,451	-	1,481	-	-	1,481
Lacrosse - Boys	2,054	2,599	1,553	-	3,100	5,000	-	8,100
Lacrosse - Girls	673	14,410	600	-	14,483	-	-	14,483
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, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
National Honor Society	\$ 3,356	\$ 1,664	\$ 3,191	\$ -	\$ 1,829	\$ -	\$ -	\$ 1,829
OCBE transfer account	54	-	-	(54)	-	-	-	-
Paper - news/school	3,391	-	3,170	-	221	-	-	221
Pencil Machine - Math	21	-	-	-	21	-	-	21
Pep Club	288	26	284	-	30	-	-	30
Scholarship/Indigent	8,600	-	-	-	8,600	-	-	8,600
Science Club	1,061	-	-	-	1,061	-	-	1,061
Sigma Sigma Gamma	2,321	1,573	1,920	-	1,974	-	-	1,974
Soccer - Boys	8,351	3,770	2,695	-	9,426	-	-	9,426
Soccer - Girls	1,237	3,607	4,020	-	824	-	-	824
Softball	6,063	22,283	10,904	325	17,767	-	-	17,767
Swim Team	248	7,115	7,362	-	1	-	-	1
Tennis	4,755	3,431	1,030	-	7,156	-	-	7,156
Theatre Production	3,825	1,454	2,354	-	2,925	-	-	2,925
Track	2,591	6,612	7,333	-	1,870	-	-	1,870
Vending - Faculty	1,248	23	780	-	491	-	-	491
Vending - Student	5,422	222	4,009	-	1,635	-	-	1,635
Volleyball	2,028	3,350	1,083	-	4,295	-	-	4,295
Wrestling	4,787	-	706	-	4,081	-	-	4,081
Yearbook	53,929	61,984	63,687	-	52,226	-	-	52,226
Total	\$ 189,984	\$ 275,157	\$ 255,634	\$ (54)	\$ 209,453	\$ 7,450	\$ 898	\$ 216,005

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
South Oldham High School Activity Fund
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Academic Team	\$ -	\$ 350	\$ 350	\$ -	\$ -	\$ -	\$ -	\$ -
Art	198	-	198	-	-	-	-	-
Athletics	17,724	80,909	82,017	(767)	15,849	371	5,292	10,928
Background Checks	290	410	500	-	200	-	-	200
Baseball	4,159	8,475	1,869	-	10,765	777	497	11,045
Basketball - Boys	2,126	9,110	9,469	-	1,767	-	-	1,767
Basketball - Girls	1,678	6,725	7,538	-	865	-	-	865
Beta Club	2,391	4,715	4,561	-	2,545	-	-	2,545
Cheerleading	3,741	74,342	40,366	-	37,717	-	185	37,532
Choral Music	8,208	-	6,151	-	2,057	-	-	2,057
Class of 2023	389	390	374	-	405	-	-	405
Class of 2024	-	920	755	-	165	-	-	165
Cross Country	3,818	2,110	1,200	-	4,728	-	-	4,728
Dance Team	3,777	4,486	4,220	-	4,043	-	-	4,043
Debate	-	51	50	-	1	-	-	1
Dragon Spirit Club	78	-	-	-	78	-	-	78
Drama/theatre	20,823	2,888	2,373	-	21,338	-	-	21,338
Faculty Fund	38	221	207	-	52	-	-	52
FCA	68	-	-	-	68	-	-	68
FCCA Club Reg #6	2,090	106	-	-	2,196	-	-	2,196
FCCLA Club	637	2,973	2,594	-	1,016	-	-	1,016
Field Hockey	2,095	4,550	1,695	-	4,950	-	550	4,400
Football	2,246	32,808	28,632	-	6,422	-	-	6,422
French Club	148	-	-	-	148	-	-	148
General	1,012	62	-	-	1,074	-	-	1,074
German Club	94	-	93	-	1	-	-	1
Golf - Boys	3,316	9,130	6,972	-	5,474	-	-	5,474
Golf - Girls	192	164	358	2	-	-	-	-
Interact Club	57	-	-	-	57	-	-	57
Junior Class of 2021	4,353	5,714	19,580	11,877	2,364	-	-	2,364
KYA/KUNA Y Clubs	1,707	1,302	2,111	-	898	-	-	898
Lacrosse - Boys	5,160	19,892	17,694	-	7,358	-	-	7,358

OLDHAM COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
South Oldham School Activity Fund (Continued)
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Transfers	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Lacrosse - Girls	\$ 5,544	\$ 6,232	\$ 7,827	\$ -	\$ 3,949	\$ -	\$ -	\$ 3,949
Link Crew	40	2,294	395	-	1,939	-	1,353	586
Marine Biology Field Trip	1,408	-	-	-	1,408	-	-	1,408
Mu Alpha Theta	106	320	310	-	116	-	-	116
National Arts Society	427	158	350	-	235	-	-	235
National Honor Society	1,013	1,546	1,756	-	803	-	-	803
OCBE transfer account	-	-	-	-	-	-	-	-
Science Field Trips	39	-	-	-	39	-	-	39
Senior Class of 2020	11,877	-	-	(11,877)	-	-	-	-
Ski Club	3,246	-	-	-	3,246	-	-	3,246
Soccer - Boys	12,650	3,400	4,376	-	11,674	-	5,483	6,191
Soccer- Girls	111	6,645	6,061	-	695	-	-	695
Softball	1,254	1,034	3,656	1,640	272	56	267	61
Sophmore Class of 2022	1,125	3,840	2,890	-	2,075	-	-	2,075
Student Council	18	-	-	-	18	-	-	18
Swim Team	152	9,290	9,206	-	236	-	-	236
Tennis - Boys	76	400	-	-	476	-	-	476
Tennis - Girls	1,872	912	872	-	1,912	-	-	1,912
The Dragon's Tale	1,487	710	690	-	1,507	-	-	1,507
Track	4,876	1,806	1,261	-	5,421	-	130	5,291
Vending - Snack	2,296	161	-	-	2,457	-	-	2,457
Vending - Soda	6,565	-	-	-	6,565	-	-	6,565
Vending - Teacher/Staff	1,124	81	643	-	562	-	-	562
Volleyball	271	-	245	-	26	-	-	26
We Care	8,084	1,200	578	-	8,706	-	-	8,706
Wrestling	3,258	15,157	12,540	(875)	5,000	-	-	5,000
Yearbook	30,767	-	27,982	-	2,785	-	-	2,785
Total	\$ 192,299	\$ 327,989	\$ 323,565	\$ -	\$ 196,723	\$ 1,204	\$ 13,757	\$ 184,170

OLDHAM COUNTY SCHOOL DISTRICT

**Combining Statement of Receipts, Disbursements and Due to Student/Groups
School Activity Funds
For the Year Ended June 30, 2021**

	Cash Balance July 1, 2020	Receipts	Disbursements	Transfers	Cash Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due To Students & Others June 30, 2021
High Schools								
Arvin Career Center	\$ 2,620	\$ 638	\$ 336	\$ -	\$ 2,922	\$ 23	\$ 173	\$ 2,772
North Oldham	227,059	258,049	268,896	-	216,212	16,721	4,437	228,496
Oldham	189,984	275,157	255,634	(54)	209,453	7,450	898	216,005
South Oldham	192,299	327,989	323,565	-	196,723	1,204	13,757	184,170
Middle Schools								
East Oldham	34,558	53,457	41,770	-	46,245	-	11,879	34,366
North Oldham	83,236	63,117	47,157	-	99,196	-	5,096	94,100
Oldham County	52,953	92,127	58,943	-	86,137	156	-	86,293
South Oldham	74,641	44,461	47,077	-	72,025	-	308	71,717
Elementary Schools								
Buckner	2,569	42	535	-	2,076	-	-	2,076
Camden	6,710	1,845	2,455	-	6,100	-	-	6,100
Centerfield	8,559	6,133	7,534	-	7,158	-	546	6,612
Crestwood	10,050	4,270	864	-	13,456	-	-	13,456
Goshen	11,646	1,635	2,704	-	10,577	-	-	10,577
Harmony	6,913	2,524	1,796	-	7,641	-	-	7,641
Kenwood	12,501	2,930	2,636	-	12,795	-	-	12,795
Lagrange	10,731	4,283	8,329	-	6,685	-	-	6,685
Locust Grove	17,631	8,242	8,657	-	17,216	-	-	17,216
Total	\$ 944,660	\$ 1,146,899	\$ 1,078,888	\$ (54)	\$ 1,012,617	\$ 25,554	\$ 37,094	\$ 1,001,077

OLDHAM COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0	*	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	*	*	*
State's proportionate share of the net pension liability associated with the District	258,779,560	242,291,849	227,259,413	464,913,222	506,558,743	394,337,603	327,037,306	*	*	*
Total	\$ 258,779,560	\$ 242,291,849	\$ 227,259,413	\$ 464,913,222	\$ 506,558,743	\$ 394,337,603	\$ 327,037,306	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 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%	0	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	58.27%	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 the District Contributions– TRS

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 2,012,148	\$ 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>(2,012,148)</u>	<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>	<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	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*
Contributions as a percentage of of covered-employee payroll	3.37%	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*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of net pension liability	0.656079%	0.639930%	0.647581%	0.647577%	0.666663%	0.666661%	0.654827%	*	*	*
District's proportionate share of the net pension liability	\$ 50,320,716	\$ 45,006,562	\$ 39,439,657	\$ 37,904,673	\$ 32,823,925	\$ 28,663,271	\$ 21,245,000	*	*	*
Total net pension liability	\$ 7,669,917,211	\$ 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	\$ 17,055,476	\$ 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	295.04%	274.78%	203.76%	204.24%	204.31%	190.80%	140.25%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	47.81%	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*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 2,964,739	\$ 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>(2,964,739)</u>	<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>	<u>\$ -</u>	*	*
District's covered-employee payroll	\$ 15,159,918	\$ 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	19.56%	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*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0%	0%	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	\$ 591,000	\$ 514,000	\$ 455,000	\$ 351,000	\$ 241,000	*	*	*	*	*
Total net OPEB liability	\$ 591,000	\$ 514,000	\$ 455,000	\$ 351,000	\$ 241,000	*	*	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*	*
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%	0.0%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	71.57%	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, 2020:

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	27 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% - 7.45%
Discount rate	7.50%

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*

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

OLDHAM COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability – MIF

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0.967100%	0.936772%	0.887195%	0.901353%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 24,407,000	\$ 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	\$ 19,551,000	\$ 22,141,000	\$ 26,529,000	\$ 26,254,000	\$ 25,993,000	*	*	*	*	*
Total net OPEB liability	\$ 43,958,000	\$ 49,558,000	\$ 57,312,000	\$ 58,394,000	\$ 57,814,000	*	*	*	*	*
District's covered-employee payroll	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	41.7%	48.8%	60.3%	66.7%	68.5%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	39.05%	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, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 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	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	6.49% for FY 2020 with an ultimate rate of 5.00% by 2032
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*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 2,021,505	\$ 2,011,528	\$ 1,580,373	\$ 1,938,662	\$ 1,921,436	\$ 1,544,272	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(2,021,505)</u>	<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>	<u>-</u>	*	*	*	*
District's covered-employee payroll	\$ 59,753,336	\$ 58,566,334	\$ 56,168,718	\$ 51,078,570	\$ 48,217,118	\$ 46,425,199	*	*	*	*
Contributions as a percentage of covered-employee payroll	3.38%	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, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 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	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	6.49% for FY 2020 with an ultimate rate of 5.00% by 2032
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*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0.655894%	0.639766%	0.647556%	0.647577%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 15,837,845	\$ 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	\$ 15,837,845	\$ 10,760,576	\$ 11,497,228	\$ 13,018,513	\$ 10,211,333	*	*	*	*	*
District's covered-employee payroll	\$ 17,055,476	\$ 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	92.9%	65.7%	59.4%	70.1%	63.6%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	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*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 731,200	\$ 814,796	\$ 848,272	\$ 754,361	\$ 748,836	\$ 745,775	*	*	*	*
Contributions in relation to the contractually required contribution	(731,200)	(814,796)	(848,272)	(754,361)	(748,836)	(745,775)	*	*	*	*
Contribution deficiency	-	-	-	-	-	-	*	*	*	*
District's covered-employee payroll	\$ 15,159,918	\$ 17,055,476	\$ 16,379,033	\$ 19,356,255	\$ 18,558,799	\$ 16,066,071	*	*	*	*
Contributions as a percentage of covered-employee payroll	4.82%	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, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agreement Number	Federal Expenditures for FYE June 30, 2021
<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 18	\$ 44,398
Special Education_Grants to States	84.027	3810002 19	345,970
Special Education_Grants to States	84.027	3810002 20	1,730,581
Special Education_Preschool Grants	84.173	3800002 18	4,353
Special Education_Preschool Grants	84.173	3800002 19	9,416
Special Education_Preschool Grants	84.173	3800002 20	28,344
Total Special Education Cluster			<u>2,163,062</u>
Title I Grants to Local Educational Agencies	84.010A	3100002 18	304
Title I Grants to Local Educational Agencies	84.010A	3100002 19	63,008
Title I Grants to Local Educational Agencies	84.010A	3100002 20	424,850
Total CFDA #84.010			<u>488,162</u>
Career and technical Education -Basic Grants to States	84.048	3710002 19	5,575
Career and technical Education -Basic Grants to States	84.048	3710002 20	71,502
Total CFDA #84.048			<u>77,077</u>
English Language Acquisition State Grants	84.365	3300002 19	11,036
English Language Acquisition State Grants	84.365	3300002 20	30,835
Total CFDA #84.365			<u>41,871</u>
Title II Improving Teacher Quality State Grants	84.367	3230002 18	7,145
Title II Improving Teacher Quality State Grants	84.367	3230002 19	18,863
Title II Improving Teacher Quality State Grants	84.367	3230002 20	95,296
Total CFDA #84.367			<u>121,304</u>
COVID-19 Education Stabilization Fund	84.425	4200002	375,455
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000002	322,027
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER	70,327
Total CFDA #84.425			<u>767,809</u>
Total U.S. Department of Education			<u>3,659,285</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Kentucky Department of Education</i>			
CDC School Health Profile	93.079	Not available	300
<i>Direct Federal Award</i>			
Child Care and Development Block Grant	93.575	Not available	600,922
Child Care and Development Block Grant	93.575	Not available	715,016
Total CFDA #84.425			<u>1,315,938</u>
Total U.S. Department of Health and Human Services			<u>1,316,238</u>
<u>U.S. Department of the Treasury</u>			
<i>Passed through Kentucky Department of Education</i>			
Coronavirus Relief Fund - Last Mile Internet	21.019	CARES	21,881
Coronavirus Relief Fund	21.019	Not available	2,199,586
Total CFDA #21.019			<u>2,221,467</u>
Total U.S. Department of the Treasury			<u>2,221,467</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2021</u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
School Breakfast Program	10.553	7760005 20	1,575
National School Lunch Program	10.555	7750002 20	3,650
Summer Food Service Program for Children	10.559	7690024 20	26,651
Summer Food Service Program for Children	10.559	7690024 21	303,855
Summer Food Service Program for Children	10.559	7740023 20	258,786
Summer Food Service Program for Children	10.559	7740023 21	<u>2,943,788</u>
			3,538,305
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	n/a	<u>112,265</u>
Total Child Nutrition Cluster			3,650,570
<i>Passed through Kentucky Department of Education</i>			
Child and Adult Care Food Program	10.558	7790021 20	465
Child and Adult Care Food Program	10.558	7790021 21	16,048
Child and Adult Care Food Program	10.558	7800016 21	<u>623</u>
Total CFDA #10.558			17,136
Total U.S. Department of Agriculture			<u>3,667,706</u>
Total Expenditures of Federal Awards			<u>\$ 10,864,696</u>

OLDHAM COUNTY SCHOOL DISTRICT

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

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, 2021 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, 2021, the District reported food commodities expended in the amount of \$112,265.

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, 2021.

**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, 2021, 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 November 15, 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 84 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
November 15, 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
Crestwood, 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, 2021. 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, 2021.

**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.



Crestview Hills, Kentucky
November 15, 2021

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

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
21.019	Coronavirus Relief Fund
84.425	Education Stabilization Fund
84.027/84.173	Special Education Cluster
93.575	Child Care Development Block Grant

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, 2021**

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, 2021**

In planning and performing our audit of the financial statements of Oldham County School District for the year ended June 30, 2021, 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 November 15, 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 November 15, 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

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 (Continued)
Year Ended June 30, 2021

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 (Continued)
Year Ended June 30, 2021**

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

Statement of prior year deficiency: It was noted that five checks were outstanding for longer than twelve months.

Current year follow up: No such instances noted.

North Oldham Middle School

Statement of prior year deficiency: It was noted that two checks did not have an invoice that was marked paid.

Current year follow up: No such instances noted.

Oldham County Middle School

No matters are reportable

South Oldham Middle School

No matters are reportable

OLDHAM COUNTY SCHOOL DISTRICT

**Management Letter Comments (Continued)
Year Ended June 30, 2021**

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