Scott County School District

Financial Statements
With Supplementary Information
Year Ended June 30, 2024
With Independent Auditors' Report

SCOTT COUNTY SCHOOL DISTRICT

June 30, 2024

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Independent Auditors' Report

To the Members of the Board of Education
Scott County School District
Georgetown, Kentucky

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Report
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-9, 53-56, and 61-70 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.

Independent Auditors' Report
(Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Scott County School District's basic financial statements. The information on pages 51-52, 57-60, and 71-73 as listed in the table of contents is 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 information on pages 51-52, 57-60, and 71-73 as listed in the table of contents is 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 information on pages 51-52, 57-60, and 71-73 as listed in the table of contents is 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 14, 2024 on our consideration of the Scott County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scott County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Scott County School District's internal control over financial reporting and compliance.



Crestview Hills, Kentucky
November 14, 2024

SCOTT COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Scott 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, 2024. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

The Scott County School District completed the 2023-2024 fiscal year in a position of financial readiness with the General Fund reflecting an ending fund balance of $28,070,066. Of the fund balance, the unassigned $21,576,653 is in additional to $5,948,163 in committed funds, and $545,250 in assigned funds.

Scott County Schools' K-12 average daily attendance totaled 8,845.689 students in the 2023-24 fiscal year, these students are housed in 17 schools including 1 career and technical school, 2 high schools, 3 middle schools, 9 elementary schools, 1 preschool and 1 Phoenix Horizon Community. Student attendance has been down since COVID 19, so the district has started an online learning academy that is a performance-based attendance model.

The General Fund recognized $80,797,610 in revenue consisting primarily of local property, occupational license, utilities, motor vehicle taxes and the state program (SEEK) allocation. An additional $24,807,262 representing payments made on the District's behalf, by the State, for teachers' retirement contribution, employees' health insurance and technology costs were recognized as revenue.

The District administered over $15 million in Federal, State and local grants and other programs during the year.

General Fund expenditures were $99,670,508. Salaries and related costs total $88,986,227 or 89% of the general operating expenditures. Included in this amount is $24,807,262 in retirement contribution, and employees' health insurance costs paid by the state on the District's behalf.

OVERVIEW OF FINANCIAL STATEMENTS

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

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.

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

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

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The district-wide financial statements can be found on pages 10 and 11 of this report.

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

The basic governmental fund financial statements can be found on pages 12 through 20 of this report.

***Notes to the financial statements*.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 50 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $53,772,556 as of June 30, 2024.

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

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

Net Position for the years ending June 30, 2024 and 2023

The following is a summary of net position for the fiscal years ended June 30:

	2024	2023
Current assets	$ 64,169,750	$ 120,209,372
Noncurrent assets	350,289,601	285,443,833
Total assets	414,459,351	405,653,205
Deferred outflows	28,891,528	33,255,443
Current liabilities	23,065,914	23,690,775
Noncurrent liabilities	333,031,261	359,131,194
Total liabilities	356,097,175	382,821,969
Deferred inflows	33,481,148	21,016,251
Net position		
Investment in capital assets (net of debt)	60,765,390	(7,863,248)
Restricted	(21,264,363)	34,387,628
Unrestricted	14,271,529	8,546,048
Total net position	$ 53,772,556	$ 35,070,428

Comments on General Fund Budget Comparisons

- The District's total General Fund revenue for the fiscal year ended June 30, 2024, net of interfund transfers and sale of assets, was $105,604,872.
- General Fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being $33,144,850 more than budget. This is a result of the District's occupational taxes, net profit tax and utility taxes receiving more revenue than budgeted. The district anticipated a lower collection based on COVID and the effect to local businesses. The final budget included $0 for "on behalf" payments made by the State not included in the original budget.
- The total cost of General Fund programs and services was $99,670,508 net of interfund transfers and debt service.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- General Fund budget expenditures to actual varied significantly as a result of budgeted expenditures for the school purchases made from ESSER funds and not their general fund. This was the last year of Covid relief funds. Personnel cost were high due to a one-time salary payment made to each employee in November of 2023 as a result of the increased property tax and not giving a substantial raise at July 1. Plant operation and maintenance variance included outstanding purchase order encumbrances, and utility costs more than budgeted. Other expenditure variance of $5,490,575 includes the budgeted reserve for contingency at June 30, 2024.

The following table presents a summary of revenues and expenses for the fiscal years ended June 30:

	2024	2023
Revenues		
Program revenues		
Charges for services	$ 1,479,689	$ 2,144,796
Operating grants	21,727,376	19,817,286
Capital grants	2,816,537	6,774,663
Total grant revenues	26,023,602	28,736,745
General Revenues		
Taxes	62,138,463	51,879,352
Grants and entitlements	75,589,107	49,830,354
Earnings on investments	3,906,951	3,663,813
Miscellaneous	(1,261,382)	10,694,363
Total general revenues	140,373,139	116,067,882
Total revenues	166,396,741	144,804,627
Expenses		
Instructional	79,911,999	67,158,946
Student support services	7,981,275	8,478,951
Staff support	7,213,715	7,437,467
District administration	4,841,650	1,691,624
School administration	6,462,207	9,255,208
Business support	2,322,168	2,334,250
Plant operations	10,826,455	10,982,837
Student transportation	7,103,870	7,666,212
Food service operation	8,023,756	7,050,340
Day Care	720,356	747,441
Other	1,173,581	1,770,784
Interest on long-term debt	11,113,581	10,534,387
Total expenses	147,694,613	135,108,447
Excess of revenues over expenses	$ 18,702,128	$ 9,696,180

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

General Fund Revenue

The majority of revenue was derived from State SEEK Funds and State On Behalf 54% with local funding making up 44% of total revenue.

Analysis of balances and transactions of individual funds (in thousands)

Fund	Beginning	Revenues	Expenses	Other Financing	Ending
General	$21,183	$105,605	$99,671	$953	$28,070
Special revenue	-	15,182	14,973	(209)	-
Construction	85,331	2,177	69,534	6,135	24,109
Building	-	18,401	-	(18,401)	-

Capital Assets and Long-Term Debt Activity (in thousands)

	Beginning	Additions	Deductions	Ending
Governmental				
Capital assets	$390,849	$73,054	$279	$463,624
Accumulated depreciation	105,783	8,140	264	113,659
Business-type				
Capital assets	2,276	17	8	2,285
Accumulated depreciation	1,898	69	8	1,959
Bonds payable	293,275	5,130	8,985	289,420

BUDGETARY IMPLICATIONS

In Kentucky, the public schools fiscal year is July 1st – June 30th; other programs, i.e. some federal programs operate on a different fiscal calendar but are reflected in the district overall budget. The district's budget for 2024 completed the year with a budgeted General Fund Contingency Reserve of $5,318,185.

With a current K-12 average daily attendance of 8,846 students, Scott County School District has experienced a decrease in state funding due to the assessment growth. Because of the reduced state funding the district has depended on contingency and beginning balance carry forwards to maintain programs.

In the past, these costs have been offset by increases in state funding (SEEK), increases in business and residential property subject to local taxation, and increases in utility, occupational and net profits tax revenues. However, as with all Kentucky school districts, revenue from property tax is limited to a 4% annual growth on previous year existing property, without being subject to recall. The substantial growth in property assessments (7% increase from 2023 to 2024) subject to taxation has challenged the Board's ability to add facilities to meet current student enrollment growth. As of January 1, 2024, there were 25,021 total properties on the tax roll. Of those 2% assessed values decreased, 65% increased, 29% had no change in assessments. In 2024 the median property value in Scott County was $243,700. On January 10, 2017 the board passed a recallable nickel for building fund projects that has helped fund additional buildings to meet growth.

BUDGETARY IMPLICATIONS (CONTINUED)

On June 7, 2022 within the 2022-2023 SEEK forecast we learned of the matching of a portion of our fourth nickel. In 2022, the board passed the sale of bonds to build the new Scott County High Schools. Bonds were sold June 2022 and in May 2023 for phase 2. The new Scott County High School opened August 2024. The district is in process of planning the construction of Elementary 10, with bonds to be sold in the 2024-2025 school year.

Beginning in 2014-2015, we are required to record the portion of the unfunded State liability of the Kentucky Teachers Retirement System (KTRS) attributable to our employees, in our financial statements. A substantial percentage of this liability is the result of the State Legislature not making the necessary contributions to fully fund KTRS. It remains to be seen if districts, including our own, will be required to contribute more toward this KTRS liability.

These growth-related costs, along with the continuing need to increase student capacity, and limited state revenue growth, will continue to create budgetary challenges for the Scott County School District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Superintendent, Billy Parker or Finance Officer, Gina Amos at (502) 863-3663 or by mail, to Scott County Public Schools, PO Box 578, Georgetown, Kentucky 40324.

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – District Wide
As of June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	$ 59,044,543	$ (340,409)	$ 58,704,134
Accounts receivable	5,152,145	39,708	5,191,853
Prepaids	130,304	-	130,304
Inventories for consumption	-	143,459	143,459
Total current	64,326,992	(157,242)	64,169,750
Noncurrent:			
Construction in progress	124,082,703	-	124,082,703
Nondepreciated capital assets:			-
Land	9,258,174	-	9,258,174
Depreciated capital assets:			-
Land improvements	7,311,875	-	7,311,875
Buildings and improvements	305,466,958	-	305,466,958
Furniture and equipment	17,503,441	2,284,768	19,788,209
Less: accumulated depreciation	(113,659,270)	(1,959,048)	(115,618,318)
Total noncurrent	349,963,881	325,720	350,289,601
Total assets	414,290,873	168,478	414,459,351
Deferred outflows	27,959,841	931,687	28,891,528
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	9,160,000	-	9,160,000
Accounts payable	4,946,495	24,351	4,970,846
Accrued interest	3,465,015	-	3,465,015
Accrued sick leave	153,610	-	153,610
Accrued payroll and related expenses	3,477,110	-	3,477,110
Unearned revenues	1,744,503	94,830	1,839,333
Total current	22,946,733	119,181	23,065,914
Noncurrent:			
Accrued sick leave	1,382,489	-	1,382,489
CERS net pension liability	31,876,554	1,178,346	33,054,900
Net OPEB liability	14,922,157	551,612	15,473,769
Bond obligations	283,120,103	-	283,120,103
Total noncurrent	331,301,303	1,729,958	333,031,261
Total liabilities	354,248,036	1,849,139	356,097,175
Deferred inflows	32,287,606	1,193,542	33,481,148
Net Position			
Invested in capital assets, net of related debt	60,439,670	325,720	60,765,390
Restricted	(21,264,363)	-	(21,264,363)
Unrestricted	16,539,765	(2,268,236)	14,271,529
Total net position	$ 55,715,072	$ (1,942,516)	$ 53,772,556

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Activities – District Wide
Year Ended June 30, 2024

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (expense) Revenue and Changes in Net Position: Governmental Activities	Net (expense) Revenue and Changes in Net Position: Business-type Activities	Net (expense) Revenue and Changes in Net Position: Total
Governmental activities:							
Instructional	$ 79,911,999	$ -	$ 9,933,209	$ -	$ (69,978,790)	$ -	$ (69,978,790)
Student support services	7,981,275	-	647,102	-	(7,334,173)	-	(7,334,173)
Staff support services	7,213,715	-	2,617,049	-	(4,596,666)	-	(4,596,666)
District administration	4,841,650	-	162,322	-	(4,679,328)	-	(4,679,328)
School administration	6,462,207	-	107,446	-	(6,354,761)	-	(6,354,761)
Business support services	2,322,168	-	-	-	(2,322,168)	-	(2,322,168)
Plant operation and maintenance	10,826,455	-	133,349	-	(10,693,106)	-	(10,693,106)
Student transportation	7,103,870	-	341,875	-	(6,761,995)	-	(6,761,995)
Daycare operation	325,494	-	325,494	-	-	-	-
Community service operations	759,430	-	859,430	-	100,000	-	100,000
Facility acquisition and construction	-	-	-	2,816,537	2,816,537	-	2,816,537
Other	88,657	-	54,247	-	(34,410)	-	(34,410)
Interest on long-term debt	11,113,581	-	-	-	(11,113,581)	-	(11,113,581)
Total governmental activities	138,950,501	-	15,181,523	2,816,537	(120,952,441)	-	(120,952,441)
Business-type activities							
Food service	8,023,756	302,376	6,377,863	-	-	(1,343,517)	(1,343,517)
Daycare	720,356	1,177,313	167,990	-	-	624,947	624,947
Total business-type activities	8,744,112	1,479,689	6,545,853	-	-	(718,570)	(718,570)
Total school district	$ 147,694,613	$ 1,479,689	$ 21,727,376	$ 2,816,537	(120,952,441)	(718,570)	(121,671,011)
			General revenues:				
			Taxes		62,138,463	-	62,138,463
			State and federal sources		75,589,107	-	75,589,107
			Investment earnings		3,880,816	26,135	3,906,951
			Miscellaneous		(1,314,627)	-	(1,314,627)
			Special items:				
			Gain on disposal of fixed assets		53,243	2	53,245
			Fund transfer		515,389	(515,389)	-
			Total general and special revenues		140,862,391	(489,252)	140,373,139
			Change in net position		19,909,950	(1,207,822)	18,702,128
			Net position - beginning		35,805,122	(734,694)	35,070,428
			Net position - ending		$ 55,715,072	$ (1,942,516)	$ 53,772,556

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Balance Sheet – Governmental Funds
As of June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Current:						
Cash (overdraft) and cash equivalents	$ 27,583,715	$ 795,509	$ 28,792,478	$ -	$ 1,872,841	$ 59,044,543
Prepaids	20,279	-	-	-	110,025	130,304
Accounts receivable	4,219,194	932,555	276	-	120	5,152,145
Total assets	$ 31,823,188	$ 1,728,064	$ 28,792,754	$ -	$ 1,982,986	$ 64,326,992
Liabilities and Fund Balances						
Liabilities						
Current:						
Accounts payable	$ 178,240	$ 81,333	$ 4,684,097	$ -	$ 2,825	$ 4,946,495
Unearned revenue	97,772	1,646,731	-	-	-	1,744,503
Accrued payroll and related expenses	3,477,110	-	-	-	-	3,477,110
Total current liabilities	3,753,122	1,728,064	4,684,097	-	2,825	10,168,108
Total liabilities	3,753,122	1,728,064	4,684,097	-	2,825	10,168,108
Fund Balances						
Assigned:						
Purchase obligations	581,024	-	-	-	-	581,024
Other	-	-	-	-	18,146	18,146
Restricted:						
Capital projects	-	-	22,814,598	-	-	22,814,598
Other	-	-	1,294,059	-	1,962,015	3,256,074
Committed:						
Other	3,622,956	-	-	-	-	3,622,956
Sick Leave	768,049	-	-	-	-	768,049
Site-Based carryforward	1,557,158	-	-	-	-	1,557,158
Unassigned	21,540,879	-	-	-	-	21,540,879
Total fund balances	28,070,066	-	24,108,657	-	1,980,161	54,158,884
Total liabilities and fund balances	$ 31,823,188	$ 1,728,064	$ 28,792,754	$ -	$ 1,982,986	$ 64,326,992

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2024

Total governmental fund balance		$ 54,158,884
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	124,082,703	
Cost of capital assets	339,540,448	
Accumulated depreciation	(113,659,270)	
		349,963,881
Deferred outflows		
Bond refinancing	2,755,892	
Related to CERS	5,459,880	
CERS contribution made after the measurement date	3,970,453	
Related to MIF	14,070,477	
MIF contribution made after the measurement date	1,703,139	
		27,959,841
Deferred inflows related to CERS	(7,350,161)	
Deferred inflows related to MIF	(24,937,445)	
		(32,287,606)
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 and premium/discount		(292,280,103)
Accrued interest on bonds		(3,465,015)
Net pension liability		(31,876,554)
Net OPEB liability		(14,922,157)
Accrued sick leave		(1,536,099)
Total net position - governmental		$ 55,715,072

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 46,962,283	$ -	$ -	$ 15,176,180	$ -	$ 62,138,463
Earnings on investments	1,609,800	-	2,177,088	-	93,928	3,880,816
State sources	56,306,292	5,162,246	-	3,225,277	2,816,537	67,510,352
Federal sources	397,209	9,555,629	-	-	-	9,952,838
Other sources	329,288	463,648	-	-	2,164,312	2,957,248
Total revenues	105,604,872	15,181,523	2,177,088	18,401,457	5,074,777	146,439,717
Expenditures						
Instructional	57,648,338	9,724,282	-	-	1,885,107	69,257,727
Student support services	7,332,634	647,102	-	-	1,014	7,980,750
Staff support services	4,348,437	2,617,049	-	-	104,593	7,070,079
District administration	1,645,296	162,322	-	-	-	1,807,618
School administration	6,537,216	107,446	-	-	-	6,644,662
Business support services	2,177,174	-	-	-	-	2,177,174
Plant operation and maintenance	10,934,833	133,349	-	-	-	11,068,182
Student transportation	8,890,957	341,875	-	-	3,889	9,236,721
Day care operation	-	325,494	-	-	-	325,494
Food service operation	24,062	54,247	-	-	-	78,309
Community service operations	-	859,430	-	-	-	859,430
Facility acquisition and construction	-	-	69,534,311	-	-	69,534,311
Other items	-	-	-	-	10,348	10,348
Debt service:						
Principal	171,461	-	-	-	8,813,539	8,985,000
Interest	60,100	-	-	-	11,312,122	11,372,222
Other	(100,000)	-	-	-	-	(100,000)
Total expenditures	99,670,508	14,972,596	69,534,311	-	22,130,612	206,308,027
Excess (deficit) of revenues over expenditures	5,934,364	208,927	(67,357,223)	18,401,457	(17,055,835)	(59,868,310)
Other financing sources (uses)						
Loan and bond proceeds	-	-	5,130,000	-	-	5,130,000
Bond premium	-	-	72,129	-	-	72,129
Gain on disposal of assets	68,836	-	-	-	-	68,836
Operating transfers in	1,067,583	183,610	932,677	-	18,272,657	20,456,527
Operating transfers out	(183,610)	(392,537)	-	(18,401,457)	(963,534)	(19,941,138)
Total other financing sources (uses)	952,809	(208,927)	6,134,806	(18,401,457)	17,309,123	5,786,354
Net change in fund balance	6,887,173	-	(61,222,417)	-	253,288	(54,081,956)
Fund balance, July 1, 2023	21,182,893	-	85,331,074	-	1,726,873	108,240,840
Fund balance, June 30, 2024	$ 28,070,066	$ -	$ 24,108,657	$ -	$ 1,980,161	$ 54,158,884

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

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

Net changes-governmental funds		$ (54,081,956)
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.		
Depreciation expense	(8,140,095)	
Capital outlays	73,053,544	
Retirement of capital assets	(15,593)	
		64,897,856
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.		
Bond principal paid		8,985,000
Bond proceeds		(5,130,000)
Issuance of bond premium		(72,129)
Amortization of bond premium		412,123
Amortization of bond discount		(4,560)
Amortization of bond refinancing		(407,564)
Deferred outflows related to pensions		1,391,236
Deferred outflows related to other post-employment benefits		(5,199,462)
Deferred inflows related to pensions		(2,162,024)
Deferred inflows related to other post-employment benefits		(9,863,471)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		21,144,901
Changes in net position of governmental activities		$ 19,909,950

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – Proprietary Funds
As of June 30, 2024

	Food Service	Daycare Fund	Total
Assets			
Current			
Cash (overdraft) and cash equivalents	$ (1,428,030)	$ 1,087,621	$ (340,409)
Accounts receivable	39,708	-	39,708
Inventories for consumption	143,459	-	143,459
Total current	(1,244,863)	1,087,621	(157,242)
Noncurrent			
Equipment	2,284,768	-	2,284,768
Less: accumulated depreciation	(1,959,048)	-	(1,959,048)
Total noncurrent	325,720	-	325,720
Total assets	(919,143)	1,087,621	168,478
Deferred outflows	760,875	170,812	931,687
Liabilities and Net Position			
Liabilities			
Current			
Unearned revenue	-	-	-
Accounts payable	21,876	2,475	24,351
Unearned revenue	94,830	-	94,830
Total current	116,706	2,475	119,181
Noncurrent			
CERS net pension liability	962,312	216,034	1,178,346
MIF net OPEB liability	450,481	101,131	551,612
Total noncurrent	1,412,793	317,165	1,729,958
Total liabilities	1,529,499	319,640	1,849,139
Deferred inflows	974,722	218,820	1,193,542
Net Position			
Invested in assets, net of debt	325,720	-	325,720
Restricted	(2,988,209)	719,973	(2,268,236)
Total net position	$ (2,662,489)	$ 719,973	$ (1,942,516)

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2024

	Food Service	Daycare Fund	Total
Operating revenues			
Lunchroom sales	$ 300,370	$ -	$ 300,370
Tuition and Fees	-	1,177,313	1,177,313
Other operating revenues	2,006	-	2,006
Total operating revenues	302,376	1,177,313	1,479,689
Operating expenses			
Salaries and benefits	2,892,985	623,701	3,516,686
Contract services	222,032	12	222,044
Materials and supplies	4,833,815	49,606	4,883,421
Depreciation	68,930	-	68,930
Other operating expenses	5,994	47,037	53,031
Total operating expenses	8,023,756	720,356	8,744,112
Operating income (loss)	(7,721,380)	456,957	(7,264,423)
Nonoperating revenues (expenses)			
Federal grants	5,587,227	-	5,587,227
State grants	475,191	167,990	643,181
Donated commodities and other donations	315,445	-	315,445
Transfers out	(200,000)	(315,389)	(515,389)
Gain on sale of capital assets	2	-	2
Interest income	18,777	7,358	26,135
Total nonoperating revenues	6,196,642	(140,041)	6,056,601
Change in net position	(1,524,738)	316,916	(1,207,822)
Total net position, July 1, 2023	(1,137,751)	403,057	(734,694)
Total net position, June 30, 2024	$ (2,662,489)	$ 719,973	$ (1,942,516)

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

	Food Service Fund	Daycare Fund	Total
Cash flows from operating activities			
Cash received from lunchroom sales	$ 300,370	$ -	$ 300,370
Cash received from tuition and fees	-	1,177,313	1,177,313
Cash received from other activities	44,909	59	44,968
Cash payments to employees for services	(3,072,013)	(662,380)	(3,734,393)
Cash payments to suppliers for goods and services	(5,016,088)	(94,180)	(5,110,268)
Cash transfers	(200,000)	(315,389)	(515,389)
Net cash provided by (used in) operating activities	(7,942,822)	105,423	(7,837,399)
Cash flows from capital financing activities			
Purchase of capital assets	(16,840)	-	(16,840)
Net cash used in capital financing activities	(16,840)	-	(16,840)
Cash flows from noncapital financing activities			
Non-operating revenues received	6,377,863	167,990	6,545,853
Net cash provided by noncapital financing activities	6,377,863	167,990	6,545,853
Cash flows from investing activities			
Interest on investments	18,777	7,358	26,135
Net cash provided by investing activities	18,777	7,358	26,135
Net increase (decrease) in cash and cash equivalents	(1,563,022)	280,771	(1,282,251)
Cash and cash equivalents - beginning	134,992	806,850	941,842
Cash (overdraft) and cash equivalents - ending	$ (1,428,030)	$ 1,087,621	$ (340,409)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (7,721,380)	$ 456,957	$ (7,264,423)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	68,930	-	68,930
Transfers	(200,000)	(315,389)	(515,389)
Changes in assets and liabilities:			
Decrease in deferred outflows	121,571	26,554	148,125
Increase in deferred inflows	358,422	80,980	439,402
Decrease in CERS net pension liability	(110,593)	(23,930)	(134,523)
Decrease in net OPEB liability	(548,428)	(122,283)	(670,711)
Increase in accounts payable	21,855	2,475	24,330
Decrease in unearned revenue	45,150	-	45,150
(Increase) Decrease in accounts receivable	(2,247)	59	(2,188)
Decrease in inventories	23,898	-	23,898
Net cash provided by (used in) operating activities	$ (7,942,822)	$ 105,423	$ (7,837,399)
Schedule of non-cash transactions:			
Donated commodities received from federal government	$ 315,445	$ -	$ 315,445
On behalf payments	$ 432,623	$ 93,281	$ 525,904

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – Fiduciary Funds
As of June 30, 2024

	Trust Fund	Total
Assets		
Current		
Cash and cash equivalents	$ 34,060	$ 34,060
Total current assets	34,060	34,060
Total assets	34,060	34,060
Liabilities and Net Position		
Net Position		
Restricted	34,060	34,060
Total net position	$ 34,060	$ 34,060

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2024

	Trust Fund	Total
Additions		
Contributions	$ -	$ -
Total operating revenues	-	-
Deductions		
Community service operations	7,475	7,475
Total operating expenses	7,475	7,475
Change in net position	(7,475)	(7,475)
Total net position, July 1, 2023	41,535	41,535
Total net position, June 30, 2024	$ 34,060	$ 34,060

The accompanying notes are an integral part of these financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Scott 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 Scott 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 of the funds and account groups relevant to the operation of the Scott 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:

Scott County School District Finance Corporation - The Board authorized the establishment of the Scott 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 Scott 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.

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 71-72. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (Continued)

(E) 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.

(F) 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. This is a major fund of the District.

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 $24,108,657 for ongoing projects. This is a major fund of the District.

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 Day Care Fund accounts for the daycare operations of the District. Amounts have been recorded for on-behalf payments for retirement and health insurance paid by the State of Kentucky.

IV. Fiduciary Fund Type (Agency and Trust Funds)
The Trust Fund is used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments. Revenues consist of donations and interest income. Expenditures represent scholarships.

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.

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

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.

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 capitalized 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 five 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Description	Governmental Activities Estimated Lives
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	10 years
Food service equipment	10-12 years
Other	10 years

Accumulated Unpaid Sick Leave Benefits

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

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.

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.

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 ("KTRS") and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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.

NOTE 4 CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2023	Additions	Deductions	Transfers	Balance June 30, 2024
Land	$ 9,258,174	$ -	$ -	$ -	$ 9,258,174
Land improvements	7,273,195	38,680	-	-	7,311,875
Buildings and improvements	305,313,053	153,905	-	-	305,466,958
Technology equipment	2,085,153	221,240	116,883	-	2,189,510
Vehicles	9,911,389	2,139,883	-	-	12,051,272
General equipment	2,817,126	608,012	162,479	-	3,262,659
Construction work in progress	54,190,879	69,891,824	-	-	124,082,703
Totals at historical cost	390,848,969	73,053,544	279,362	-	463,623,151
Less: accumulated depreciation					
Land improvements	4,287,153	292,077	-	-	4,579,230
Buildings and improvements	90,529,211	6,773,821	-	-	97,303,032
Technology equipment	1,426,051	267,745	104,857	-	1,588,939
Vehicles	7,402,839	644,342	-	-	8,047,181
General equipment	2,137,690	162,110	158,912	-	2,140,888
Total accumulated depreciation	105,782,944	8,140,095	263,769	-	113,659,270
Governmental activities capital assets - net	$ 285,066,025	$ 64,913,449	$ 15,593	$ -	$ 349,963,881
Business - Type Activities					
General equipment	$ 2,208,321	$ 16,840	$ 7,956	$ -	$ 2,217,205
Vehicles	40,629	-	-	-	40,629
Technology equipment	26,934	-	-	-	26,934
Totals at historical cost	2,275,884	16,840	7,956	-	2,284,768
Less: accumulated depreciation					
General equipment	1,853,505	63,649	7,958	-	1,909,196
Vehicles	31,873	2,919	-	-	34,792
Technology equipment	12,698	2,362	-	-	15,060
Total accumulated depreciation	1,898,076	68,930	7,958	-	1,959,048
Business - type activities capital assets - net	$ 377,808	$ (52,090)	$ (2)	$ -	$ 325,720

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2024 was as follows:

	Governmental	Business-Type
Instruction	$ 4,212,221	$ -
Student support services	7,032	-
Staff support services	525	-
District administration	143,636	-
School administration	3,034,032	-
Business support services	10,130	-
Plant operation and maintenance	144,994	-
Student transportation	587,525	-
Food service	-	68,930
Total	$ 8,140,095	$ 68,930

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System and County Employees Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2024, this amount totaled approximately $1,536,099 for those employees with twenty-seven or more years of experience.

NOTE 6 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.

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

Issue Date	Proceeds	Rates
October 1, 2012	$ 3,000,000	2.000% - 2.625%
December 1, 2012	8,905,000	2.000% - 2.125%
March 1, 2013	8,000,000	2.000% - 3.000%
March 1, 2013	15,110,000	2.000% - 4.500%
June 1, 2013	440,000	1.500% - 3.000%
March 16, 2016	17,510,000	2.000% - 4.000%
August 25, 2016	17,290,000	1.000% - 3.000%
September 19, 2017	62,465,000	3.250% - 5.000%
May 17, 2018	20,650,000	3.000% - 5.000%
October 1, 2018	25,990,000	3.000% - 5.000%
May 21, 2019	7,000,000	3.000%
November 17, 2021	14,660,000	3.000% - 4.000%
July 18, 2022	103,560,000	4.000% - 5.000%
April 19, 2023	26,870,000	4.000% - 5.000%
May 22, 2024	5,130,000	4.125% - 5.000%

NOTE 6 BONDED DEBT (CONTINUED)

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

The District entered into "participation agreements" 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, 2024 for debt service (principal and interest) are reported in Note 16.

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.

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.

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/.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided

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

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years 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 spouse will receive the higher of the normal death benefit and $10,000 plus 75% of the decedent's monthly average rate of pay.

Benefits provided (Continued)

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 average rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions

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

	Required contribution
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, 2024, was $5,131,117, which consisted of $4,117,225 from the District and $1,013,892 from the employees. District contributions for the year ended June 30, 2023 and 2022 were $3,685,265 and $4,566,711, respectively. The contributions have been contributed in full for fiscal years 2024, 2023 and 2022.

NOTE 7 RETIREMENT PLANS (CONTINUED)

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 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/employers/gasb-65-67/.

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. New employees hired after July 1, 2008 but before December 31, 2021 with less than 10 years of service will receive monthly benefits equal to 1.7% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 10 to 20 years of service will receive monthly benefits equal to 2% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 20 to 26 years of service will receive monthly benefits equal to 2.3% of their final average salary for each year of service. Lastly, new employees hired between July 1, 2008 and December 31, 2021 with between 26 to 30 years of service will receive monthly benefits equal to 2.5% of their final average salary for each year of service. Effective January 1, 2022, the System has been amended to change the benefit structure for employees hired on or after that date.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided (continued)

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. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2024, was $8,495,308, which consisted of $2,018,380 from the District and $6,476,928 from the employees. Total contributions for the year ended June 30, 2023 and 2022 were $9,088,831 and $7,683,141, respectively. The contributions have been contributed in full for fiscal years 2024, 2023 and 2022.

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.

NOTE 7 RETIREMENT PLANS (CONTINUED)

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.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for 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	$ 33,054,900
Commonwealth's proportionate share of the TRS net pension liability associated with the District	215,488,072
	$ 248,542,972

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

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.515154% percent.

NOTE 7 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2024, the District recognized a reduction in pension expense of $4,287,357 related to CERS and pension expense of $15,660,329 related to TRS. The District also recognized revenue of $15,660,329 for TRS support provided by the Commonwealth. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,711,188	$ 89,820
Net difference between projected and actual earnings on pension plan investments	3,570,865	4,021,752
Changes of assumptions	-	3,029,504
Changes in proportion and differences between employer contributions and proportionate share of contributions	379,656	480,791
District contributions subsequent to the measurement date	4,117,225	-
Total	$ 9,778,934	$ 7,621,867

$4,117,225 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, 2024. 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:	
2025	$ (1,302,608)
2026	(1,075,467)
2027	737,919
2028	(320,002)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions

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

	CERS	TRS
Inflation	2.30%	2.50%
Projected salary increases	3.3-10.3%	3.0-7.5%
Investment rate of return, net of investment expense and inflation	6.50%	7.10%

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 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 Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 6-year period ending June 30, 2020, adopted by the board on September 10, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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 2018 through 2022, is outlined in a report dated May 9, 2023. 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.

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' and CERS' 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	38.0%	5.25%	50.0%	5.90%
Developed international equity	15.7%	5.50%		
Emerging markets equity	5.3%	6.10%		
Core bonds			10.0%	2.45%
Private equity	7.0%	8.00%	10.0%	11.73%
Fixed income	15.0%	1.90%		
Specialty Income			10.0%	3.65%
High yield	5.0%	3.80%		
Additional categories	5.0%	3.60%		
Real estate	7.0%	3.20%	7.0%	4.99%
Real return			13.0%	5.15%
Cash	2.0%	1.60%	0.0%	1.39%
Total	100%		100%	

Discount rate

For CERS, the discount rate used to measure the total pension liability was 6.50%. 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 6.50%. 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 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates for all fiscal years in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	$ 41,733,808	$ 33,054,900	$ 25,842,401
TRS	6.10%	7.10%	8.10%
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 Scott County School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky 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.

NOTE 8 OPEB PLANS (CONTINUED)

Medical Insurance Plan

Plan description

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

Benefits provided

To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund (MIF) 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/.

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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.

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

At June 30, 2024, the Scott County School District reported a liability of $15,473,769 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2023 and 2022, the District's proportion was 0.7% and 1% for TRS, and 0.52% and 0.51% for CERS.

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	$ (711,231)
District's proportionate share of the TRS net OPEB liability	16,185,000
State's proportionate share of the net OPEB liability associated with the District	13,642,000
	$ 29,115,769

For the year ended June 30, 2024, the District recognized a reduction in OPEB expense of $8,365,419 and revenue of $1,061,302 for support provided by the State.

NOTE 8 OPEB PLANS (CONTINUED)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 495,836	$ 15,584,773
Net difference between projected and actual earnings on OPEB plan investments	1,634,041	1,496,105
Change of Assumptions	5,078,654	975,418
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,382,074	7,802,985
District contributions subsequent to the measurement date	1,766,097	-
Total	$ 16,356,702	$ 25,859,281

Of the total amount reported as deferred outflows of resources related to OPEB, $1,766,097 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2025	$ (2,719,860)
2026	(3,359,499)
2027	(1,845,166)
2028	(1,892,151)
2029	(699,000)
Thereafter	(753,000)

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.00 - 7.50%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Medical Trend	6.75% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2032	
Under 65		Initial trend starting at 6.4% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Ages 65 and Older		Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Medicare Part B Premiums	1.55% for FY 2023 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	3.66%	3.86%
Discount Rate	7.10%	5.93%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	

For TRS, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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 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, 2022 valuation.

For TRS, 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.

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
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed International Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	9.0%	1.9%
High Yield Bonds	8.0%	3.8%
Other Additional Categories	9.0%	3.7%
Real Estate	6.5%	3.2%
Private Equity	8.5%	8.0%
Cash	1.0%	1.6%
Total	100.0%	

Discount rate

For TRS, the discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at 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 TRS, the discount rate used to measure the total OPEB liability was 5.93%. 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.

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 selected by each medical insurance plan, 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 (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
TRS			
District's net OPEB liability	$ 20,818,000	$ 16,185,000	$ 12,357,000

	1% Decrease (4.93%)	Current Discount Rate (5.93%)	1% Increase (6.93%)
CERS			
District's net OPEB liability	$ 1,334,709	$ (711,231)	$ (2,424,456)

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			
District's net OPEB liability	$ 11,652,000	$ 16,185,000	$ 21,830,000

	1% Decrease	Current Trend Rate	1% Increase
CERS			
District's net OPEB liability	$ (2,279,620)	$ (711,231)	$ 1,215,387

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 8 OPEB PLANS (CONTINUED)

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.

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, 2024, the Scott County School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the District	338,000
	$ 338,000

For the year ended June 30, 2024, the District recognized OPEB expense of $-0- and revenue of $33,578 for support provided by the State.

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including wage inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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, 2022 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%	5.2%
International Equity	20.0%	5.8%
Fixed Income	21.0%	1.9%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Other Additional Categories	5.0%	4.0%
Cash	2.0%	1.6%
Total	100.0%	

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate 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 7.10%, 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 (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's 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 CONTINGENCIES

Grant Fund Approval

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 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.

NOTE 11 RISK MANAGEMENT

The District is self-insured for unemployment insurance benefits. The District purchases workers' compensation insurance through Kentucky Employer's Mutual Insurance. 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 food service fund currently has a negative fund balance. Additionally, 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	$ 61,222,417
Food Service Fund	1,524,738
Lemons Mill Elementary	10,799
Scott County Preschool	9,936
Creekside Elementary	7,654
Trust Fund	7,475
Anne Mason Elementary	4,067
Western Elementary	1,347
Debt Service Fund	1

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).

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue Fund	KETS	$ 183,610
Special Revenue Fund	General Fund	Indirect Costs	392,537
District Activity Fund	Student Activity Fund	Interschool Purchases	48,886
Student Activity Fund	District Activity Fund	Interschool Purchases	9,064
Capital Outlay Fund	Construction Fund	Construction	905,584
Building Fund	General Fund	Capital Funds Request	159,657
Building Fund	Construction Fund	BG Funding	27,093
Building Fund	Debt Service Fund	Debt Service	18,214,707
Food Service Fund	General Fund	Indirect Costs	200,000
Day Care Fund	General Fund	Day Care Profits	315,389

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2024, total payments of $27,244,119 were made for life insurance, health insurance, TRS matching, technology 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.

General Fund	$ 24,807,262
Debt Service	1,910,953
Day Care	93,281
Food Service	432,623
Total On-Behalf	$ 27,244,119

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

FISCAL YEAR	Scott County School District			KY School Facilities Construction Commission			
	Principal	Interest	Total	Principal	Interest	Total	Requirements
2024-2025	$ 7,809,246	$ 6,397,170	$ 14,206,416	$ 1,350,754	$ 4,946,597	$ 6,297,351	$ 20,503,767
2025-2026	8,157,913	6,055,282	14,213,195	1,407,087	4,889,763	6,296,850	20,510,045
2026-2027	8,454,537	5,770,082	14,224,619	1,465,463	4,829,868	6,295,331	20,519,950
2027-2028	8,793,368	5,439,212	14,232,580	1,396,632	4,768,520	6,165,152	20,397,732
2028-2029	9,140,607	5,101,620	14,242,227	1,449,393	4,712,010	6,161,403	20,403,630
2029-2030	8,591,534	4,733,512	13,325,046	2,318,466	4,631,994	6,950,460	20,275,506
2030-2031	8,917,078	4,426,048	13,343,126	2,417,922	4,532,665	6,950,587	20,293,713
2031-2032	9,356,300	4,092,091	13,448,391	2,423,700	4,430,639	6,854,339	20,302,730
2032-2033	10,580,564	3,681,921	14,262,485	1,509,436	4,346,353	5,855,789	20,118,274
2033-2034	10,948,211	3,327,963	14,276,174	1,221,789	4,286,837	5,508,626	19,784,800
2034-2035	11,292,601	2,976,669	14,269,270	1,292,399	4,234,477	5,526,876	19,796,146
2035-2036	11,685,822	2,597,719	14,283,541	1,344,178	4,180,711	5,524,889	19,808,431
2036-2037	12,098,065	2,200,530	14,298,595	1,401,935	4,126,216	5,528,151	19,826,746
2037-2038	12,522,136	1,791,465	14,313,601	1,337,864	4,071,015	5,408,879	19,722,481
2038-2039	9,846,459	1,360,271	11,206,730	4,143,541	3,950,753	8,094,294	19,301,024
2039-2040	1,217,369	1,156,316	2,373,685	12,902,631	3,535,284	16,437,915	18,811,600
2040-2041	1,266,721	1,105,564	2,372,285	13,563,279	2,873,636	16,436,915	18,809,200
2041-2042	1,321,553	1,052,732	2,374,285	14,258,447	2,178,093	16,436,540	18,810,825
2042-2043	3,259,207	1,000,309	4,259,516	10,710,793	1,607,416	12,318,209	16,577,725
2043-2044	3,255,000	872,088	4,127,088	11,150,000	1,170,200	12,320,200	16,447,288
2044-2045	3,005,000	741,431	3,746,431	11,605,000	715,100	12,320,100	16,066,531
2045-2046	3,130,000	621,231	3,751,231	12,075,000	241,500	12,316,500	16,067,731
2046-2047	12,025,000	496,031	12,521,031	-	-	-	12,521,031
	$ 176,674,291	$ 66,997,258	$ 243,671,549	$ 112,745,709	$ 79,259,648	$ 192,005,357	$ 435,676,906

A summary of the changes in the principal of the outstanding bond obligations, capital leases and sick leave accrual for the District during the year ended June 30, 2024 is as follows:

Governmental Activities	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Bond Obligations	$ 293,275,000	$ 5,130,000	$ 8,985,000	$ 289,420,000
Bond Premium	$ 4,399,537	$ 72,129	$ 412,123	$ 4,059,543
Bond Discount	$ (1,204,000)	$ -	$ (4,560)	$ (1,199,440)
Sick Leave	$ 1,106,049	$ 526,788	$ 96,738	$ 1,536,099

NOTE 17 SUBSEQUENT EVENTS

Subsequent events were considered through November 14, 2024, which represents the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCOTT COUNTY SCHOOL DISTRICT

Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2024

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Nonmajor Government Funds
Assets					
Current:					
Cash and cash equivalents	$ -	$ 1,005,050	$ 973,497	$ (105,706)	$ 1,872,841
Accounts receivable	-	-	120	-	120
Prepaid Expenses	-	-	-	110,025	110,025
Total current	$ -	$ 1,005,050	$ 973,617	$ 4,319	$ 1,982,986
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	$ 1,297	$ 1,528	-	$ 2,825
Total liabilities	-	1,297	1,528	-	2,825
Fund Balances:					
Restricted:					
Other	-	998,065	959,631	4,319	1,962,015
Assigned	-	5,688	12,458	-	18,146
Total fund balances	-	1,003,753	972,089	4,319	1,980,161
Total liabilities and fund balances	$ -	$ 1,005,050	$ 973,617	$ 4,319	$ 1,982,986

SCOTT COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2024

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Nonmajor Government Funds
Revenues:					
State sources	$ 905,584.00	$ -	$ -	$ 1,910,953.00	$ 2,816,537.00
Earnings on Investments	-	-	93,928	-	93,928
Other sources	-	865,936	1,298,376	-	2,164,312
Total revenues	905,584	865,936	1,392,304	1,910,953	5,074,777
Expenditures:					
Instructional	-	608,791	1,276,316	-	1,885,107
Student support services	-	962	52	-	1,014
Staff support services	-	101,294	3,299	-	104,593
Student transportation	-	3,889	-	-	3,889
Miscellaneous	-	-	10,348	-	10,348
Debt service:					
Principal	-	-	-	8,813,539	8,813,539
Interest	-	-	-	11,312,122	11,312,122
Total expenditures	-	714,936	1,290,015	20,125,661	22,130,612
Excess (deficit) of revenues over expenditures	905,584	151,000	102,289	(18,214,708)	(17,055,835)
Other Financing Sources (Uses)					
Operating transfers in	-	9,064	48,886	18,214,707	18,272,657
Operating transfers out	(905,584)	(48,886)	(9,064)	-	(963,534)
Total other financing sources(uses)	(905,584)	(39,822)	39,822	18,214,707	17,309,123
Net change in fund balance	-	111,178	142,111	(1)	253,288
Fund balance, July 1, 2023	-	892,575	829,978	4,320	1,726,873
Fund balance, June 30, 2024	$ -	$ 1,003,753	$ 972,089	$ 4,319	$ 1,980,161

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 37,959,251	$ 40,573,378	$ 46,962,283	$ 6,388,905
Earnings on investments	800,000	800,000	1,609,800	809,800
State sources	30,916,192	31,395,468	56,306,292	24,910,824
Federal sources	250,000	250,000	397,209	147,209
Other sources	262,207	577,595	1,465,707	888,112
Total revenues	70,187,650	73,596,441	106,741,291	33,144,850
Expenditures				
Instructional	50,388,033	53,981,196	57,648,338	(3,667,142)
Student support services	5,988,352	5,849,127	7,332,634	(1,483,507)
Staff support services	3,295,893	3,184,529	4,348,437	(1,163,908)
District administration	1,564,114	1,564,114	1,645,296	(81,182)
School administration	6,324,922	5,895,772	6,537,216	(641,444)
Business support services	1,484,711	1,484,711	2,177,174	(692,463)
Plant operation and maintenance	7,607,411	7,607,411	10,934,833	(3,327,422)
Student transportation	5,429,144	5,429,144	8,890,957	(3,461,813)
Food service operation	1,604	1,604	24,062	(22,458)
Other	4,615,171	5,805,746	315,171	5,490,575
Total expenditures	86,699,355	90,803,354	99,854,118	(9,050,764)
Net change in fund balance	(16,511,705)	(17,206,913)	6,887,173	24,094,086
Fund balance, July 1, 2023	16,511,705	17,206,913	21,182,893	3,975,980
Fund balance, June 30, 2024	$ -	$ -	$ 28,070,066	$ 28,070,066

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	$ 4,032,359	$ 5,210,918	$ 5,162,246	$ (48,672)
Federal sources	5,085,829	5,196,898	9,555,629	4,358,731
Other sources	322,024	752,982	647,258	(105,724)
Total revenues	9,440,212	11,160,798	15,365,133	4,204,335
Expenditures				
Instructional	6,570,902	7,958,940	9,724,282	(1,765,342)
Student support services	657,984	399,430	647,102	(247,672)
Staff support services	1,147,851	1,528,316	2,617,049	(1,088,733)
District administration	-	-	162,322	(162,322)
School administration	96,029	104,433	107,446	(3,013)
Plant operation and maintenance	86,861	86,861	133,349	(46,488)
Student transportation	18,877	19,808	341,875	(322,067)
Daycare operation	-	57,057	325,494	(268,437)
Food service operation	-	-	54,247	(54,247)
Community service operations	787,479	861,219	859,430	1,789
Other	74,229	77,975	392,537	(314,562)
Total expenditures	9,440,212	11,094,039	15,365,133	(4,271,094)
Net change in fund balance	-	66,759	-	(66,759)
Fund balance, July 1, 2023	-	-	-	-
Fund balance, June 30, 2024	$ -	$ 66,759	$ -	$ (66,759)

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Other sources	$ -	$ 4,815,000	$ 8,311,894	$ 3,496,894
Total revenues	-	4,815,000	8,311,894	3,496,894
Expenditures				
Facilities Acquisition and Construction	-	4,815,000	69,534,311	(64,719,311)
Total expenditures	-	4,815,000	69,534,311	(64,719,311)
Net change in fund balance	-	-	(61,222,417)	(61,222,417)
Fund balance, July 1, 2023	-	-	85,331,074	85,331,074
Fund balance, June 30, 2024	$ -	$ -	$ 24,108,657	$ 24,108,657

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 15,176,180	$ 15,176,180	$ 15,176,180	$ -
State sources	3,225,278	3,225,277	3,225,277	-
Total revenues	18,401,458	18,401,457	18,401,457	-
Expenditures				
Facilities Acquisition and Construction	202,662	-	-	-
Other	18,198,796	18,401,457	18,401,457	-
Total expenditures	18,401,458	18,401,457	18,401,457	-
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2023	-	-	-	-
Fund balance, June 30, 2024	$ -	$ -	$ -	$ -

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Bond and Interest Redemption Fund
For the Year Ended June 30, 2024

	Issue of 2012B	Issue of 2012C	Issue of 2013	Issue of 2013B	Issue of 2016	Issue of 2016B	Issue of 2017	Issue of 2018
Cash at July 1, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:								
Transfers and miscellaneous deposits	2,634,825	333,531	426,215	2,294,850	1,059,800	1,048,600	2,148,719	1,473,894
Disbursements:								
Bonds paid	2,580,000	325,000	260,000	1,995,000	605,000	420,000	360,000	840,000
Interest coupons	54,825	8,531	166,215	299,850	454,800	628,600	1,788,719	633,894
Total disbursements	2,634,825	333,531	426,215	2,294,850	1,059,800	1,048,600	2,148,719	1,473,894
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2024	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Issue of 2018B	Issue of 2019	Issue of 2019E	Issue of 2021 - Ref	Issue of 2022	Issue of 2023	Total
Cash at July 1, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:							
Transfers and miscellaneous deposits	1,651,044	231,561	189,139	715,000	5,027,150	1,122,894	-
Disbursements:							
Bonds paid	770,000	117,584	117,416	140,000	350,000	105,000	8,985,000
Interest coupons	881,044	113,977	71,723	575,000	4,677,150	1,017,894	11,372,222
Total disbursements	1,651,044	231,561	189,139	715,000	5,027,150	1,122,894	20,357,222
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2024	-	-	-	-	-	-	-
Fund Balance at June 30, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Scott County High School Activity Fund
Year Ended June 30, 2024

	Fund Balance July 1, 2023	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance June 30, 2024
Academic Team	$ 303	$ 425	$ 132	$ -	$ -	$ 596
AP Club	-	43	41	-	-	2
Archery	4,314	5,030	3,282	-	-	6,062
Band	-	-	-	-	-	-
Baseball	7,191	6,197	8,020	-	-	5,368
Bass Fishing	3,855	-	126	-	-	3,729
Beta Club	2,894	2,450	861	-	-	4,483
Bowling	3,281	1,863	1,076	-	-	4,068
Boys Basketball	927	16,020	13,928	-	-	3,019
Boys Golf	816	-	50	-	-	766
Boys Lacrosse	2,631	6,470	4,687	-	-	4,414
Boys Soccer	3,518	9,034	4,802	-	-	7,750
Boys Tennis	415	168	578	-	-	6
Boys Track	6,760	3,097	1,851	-	-	8,006
Business	1,678	-	-	-	-	1,678
Cheer	907	450	1,276	-	-	81
Choral	456	20,797	17,759	-	-	3,493
Corporate Sponsors	-	12,443	12,443	-	-	-
Cross County	2,662	206	650	-	-	2,218
Culinary	1,230	-	(708)	-	-	1,938
Dance Team	-	(1,249)	(1,975)	-	-	726
Deca Club	5,867	18,791	5,939	-	-	18,719
Drama Club	13,123	17,001	17,675	-	-	12,449
Enviro Club	10	-	-	-	-	10
Esports	-	203	-	-	-	203
Faculty Vending	2,872	5,678	3,775	-	-	4,776
FCCLA	556	3,409	2,082	-	-	1,883
FFA	1,815	9,555	9,686	-	-	1,685
Football	112	50,472	42,355	-	-	8,228
FRC	6,415	-	-	-	-	6,415
General Athletics	4,992	3,961	-	5,868	-	14,821
General Fund	30,031	23,992	3,695	-	-	50,328
Girls Basketball	500	14,379	14,298	-	-	580
Girls Golf	1,033	-	20	-	-	1,013
Girls Lacrosse	50	-	-	-	-	50
Girls Soccer	3,703	2,788	3,605	-	-	2,885
Girls Tennis	607	809	968	-	-	448
Girls Track	7,870	3,649	1,983	-	-	9,536
Girls Wrestling	-	190	-	-	-	190
Graduation	2,447	1,780	1,473	-	-	2,755
GSA	172	-	-	-	-	172
Hospitality Acct.	664	747	210	-	-	1,201
JAG	-	2,118	2,117	-	-	1
Japanese Club	1,241	805	1,223	-	-	823
Key Club	204	663	108	-	-	759
Law Enforcement	-	987	618	-	-	369
Library	750	2,246	2,569	-	-	427
National Honor Society	347	465	599	-	-	213
Pep Club	-	1,732	686	-	-	1,046
Post Season B	-	11,358	11,358	-	-	-
Prom	10,927	19,065	13,349	-	-	16,643
Softball	5,895	5,186	6,717	-	-	4,364
Start Up Cash	-	8,000	8,000	-	-	-
Student Council	4,840	11,506	9,310	-	-	7,036
Swimming	2,900	100	2,136	-	-	865
Toyota Classic	9,045	-	7,544	-	1,500	1
Trap Shooting	-	61	-	118	-	179
Tri County Honors	1,505	-	-	-	1,505	-
Volleyball	5,611	4,159	2,653	-	-	7,118
Wrestling	5,488	720	4,064	-	-	2,144
Y Club	1,198	11,913	12,647	-	-	464
Yearbook	5,470	585	5,034	-	-	1,021
Total	$ 182,098	$ 322,515	$ 267,372	$ 5,986	$ 3,005	$ 240,222

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Great Crossing High School Activity Fund
Year Ended June 30, 2024

	Fund Balance July 1, 2023	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance June 30, 2024
Academic Team	$ 421	$ 350	$ 516	$ -	$ -	$ 255
Arbiter Pay	-	1,216	-	-	1,216	-
Archery	4,440	5,229	7,727	-	-	1,942
Art	211	208	133	-	-	286
Band	4,471	10,268	6,430	-	-	8,309
Baseball	2,630	33,388	31,184	-	-	4,834
Bass Fishing	4,054	-	126	-	-	3,928
Beta Club	3,661	8,399	8,362	-	-	3,698
Bowling	2,288	621	1,867	-	-	1,042
Boys Basketball	23,172	32,000	28,450	-	-	26,722
Boys Golf	411	-	170	-	55	187
Boys Soccer	3,669	15,597	14,991	-	-	4,275
Boys Tennis	172	1,384	1,536	-	-	20
Boys Track	12,028	4,887	6,367	-	-	10,547
Cheer	1,034	35	-	69	-	1,138
Chorus	10,345	9,266	10,426	-	-	9,185
Corporate Sponsors	525	-	-	-	-	525
Courtesy Committee	6	-	6	-	-	-
Creative Writing	4	-	-	-	4	-
Cross County	864	671	875	-	-	660
Dance Team	1,094	1,826	1,629	-	-	1,291
Drama	19,698	14,443	10,811	-	-	23,330
Energy Team	151	-	-	-	151	-
Esports	251	3,693	2,268	-	-	1,676
Faculty Vending	410	4,880	2,262	-	-	3,028
FCCLA	367	5,078	3,755	-	-	1,690
FFA	2,009	35,015	35,773	-	-	1,251
Football	20,932	40,444	57,808	-	-	3,568
FRC	7,953	-	-	-	-	7,953
Freshman Class	220	-	-	-	220	-
General Athletics	3,200	25,221	19,676	-	-	8,745
General Fund	17,410	19,885	17,588	-	-	19,706
Girls Basketball	4,420	14,522	9,266	-	-	9,676
Girls Golf	1,841	720	1,424	-	-	1,137
Girls Lacrosse	5,196	3,135	2,689	-	-	5,642
Girls Soccer	3,600	6,433	5,300	-	-	4,733
Girls Tennis	40	1,932	1,737	-	-	235
Girls Track	12,096	4,887	6,764	-	-	10,219
GSA	256	-	-	-	256	-
HOSA	-	140	140	-	-	-
Junior Class	1,851	-	-	-	-	1,851
Lacrosse-Boys	-	2,500	2,429	-	-	71
Library	193	30	-	-	-	223
National Honor Society	2,265	4,632	4,021	-	-	2,876
Piano	20	-	-	-	20	-
Post Season B	-	20,230	20,230	-	-	-
Prom	27,655	21,254	23,796	-	-	25,113
Robert Hart Scholarship	-	10,000	-	-	-	10,000
Robotics	-	1,530	1,144	-	-	386
Senior Class	1,891	-	780	-	-	1,111
Sewing	3	-	-	-	3	-
Skills USA	1,903	8,720	5,190	-	-	5,434
Softball	9,881	14,093	15,441	-	-	8,533
Sources of Strength	-	96	-	-	-	96
Start up Cash	-	10,000	10,000	-	-	-
Student Council	934	415	94	-	-	1,255
Swimming	3,231	210	945	-	-	2,496
Toyota Classic	-	1,944	1,944	-	-	-
Trap Shooting	262	5,933	4,272	-	-	1,923
Tri County	1,505	-	-	-	-	1,505
Volleyball	2,089	15,616	14,965	-	-	2,740
World Language	428	-	-	-	-	428
Wrestling	3,617	7,735	6,790	-	-	4,562
Y-Club	1,088	13,533	14,399	-	-	222
Yearbook	12,007	4,115	988	-	-	15,134
Youth Impact Club	470	-	-	-	470	-
Total	$ 246,843	$ 448,357	$ 425,486	$ 69	$ 2,395	$ 267,388

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
Year Ended June 30, 2024

	Anne Mason Elementary	Eastern Elementary	Garth Elementary	Northern Elementary
Fund balance at July 1, 2023	$ 14,488	$ (19,688)	$ 11,838	$ 21,770
Add: receipts	18,260	70,116	14,749	33,340
Less: disbursements	(22,327)	(28,774)	(13,450)	(32,513)
Fund balance at June 30, 2024	$ 10,421	$ 21,654	$ 13,137	$ 22,597

	Lemons Mill Elementary	Southern Elementary	Stamping Ground Elementary	Western Elementary
Fund balance at July 1, 2023	$ 22,193	$ 19,481	$ 18,308	$ 14,613
Add: receipts	25,958	44,506	31,400	41,283
Less: disbursements	(36,757)	(37,379)	(30,477)	(42,630)
Fund balance at June 30, 2024	$ 11,394	$ 26,608	$ 19,231	$ 13,266

	Elkhorn Crossing	Georgetown Middle	Royal Spring Middle	Scott County Middle
Fund balance at July 1, 2023	$ 11,596	$ 58,563	$ 84,563	$ 118,821
Add: receipts	7,366	93,962	120,018	132,149
Less: disbursements	(6,811)	(92,482)	(119,602)	(115,831)
Fund balance at June 30, 2024	$ 12,151	$ 60,043	$ 84,979	$ 135,139

	Phoenix Horizon	Scott County Preschool	Creekside Elementary	Total
Fund balance at July 1, 2023	$ 6,285	$ 9,995	$ 26,103	$ 418,929
Add: receipts	12,283	1,129	27,630	674,149
Less: disbursements	(11,189)	(11,065)	(35,284)	(636,571)
Fund balance at June 30, 2024	$ 7,379	$ 59	$ 18,449	$ 456,507

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	*
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
State's proportionate share of the net pension liability associated with the District	215,488,072	228,377,364	174,033,740	180,690,077	163,050,162	153,686,538	313,518,441	339,336,496	262,266,075	225,099,715
Total	$ 215,488,072	$ 228,377,364	$ 174,033,740	$ 180,690,077	$ 163,050,162	$ 153,686,538	$ 313,518,441	$ 339,336,496	$ 262,266,075	$ 225,099,715
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	$ 35,868,383	$ 35,100,583	*
District's proportionate share of the net pension 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 pension liability	57.68%	56.41%	65.59%	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: A new benefit tier was added for members joining the system on and after January 1, 2022

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 4.20% 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%.

Changes of assumption: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3% to 2.50%. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions –TRS

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,018,380	$ 2,997,189	$ 1,779,314	$ 1,337,478	$ 1,099,499	$ 1,133,195	$ 1,097,650	$ 1,507,358	$ 1,465,504	$ 1,131,841
Contributions in relation to the contractually required contribution	(2,018,380)	(2,997,189)	(1,779,314)	(1,337,478)	(1,099,499)	(1,133,195)	(1,097,650)	(1,507,358)	(1,465,504)	(1,131,841)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	$ 35,868,383	$ 35,100,583	$ 33,572,330
Contributions as a percentage of of covered-employee payroll	4.06%	6.02%	3.88%	4.58%	4.29%	3.00%	3.00%	4.20%	4.18%	3.37%

* 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.

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability	0.515154%	0.506110%	0.529483%	0.515700%	0.476147%	0.462668%	0.462977%	0.463111%	0.465716%	0.453576%
District's proportionate share of the net pension liability	$ 33,054,900	$ 36,586,760	$ 33,758,694	$ 39,553,840	$ 33,487,631	$ 28,177,892	$ 27,099,467	$ 22,801,840	$ 20,023,578	$ 14,716,000
Total net pension liability	$ 6,416,508,407	$ 7,229,013,496	$ 6,375,784,388	$ 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	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	$ 11,563,570	$ 11,295,029	$ 10,532,313	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	312.72%	261.38%	249.59%	299.32%	274.58%	241.36%	234.35%	201.88%	190.12%	142.57%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	54.42%	57.33%	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:

2009: A new benefit tire for members who first participate on or after September 1, 2008 was introduced which included the following changes:
1. Tired structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

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%.

2023: The assumed investment rate of return was increased from 6.25% to 6.50%.

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions – CERS

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 4,117,225	$ 2,831,723	$ 3,771,235	$ 3,254,337	$ 3,179,349	$ 1,978,158	$ 1,690,498	$ 1,613,118	$ 1,402,843	$ 1,342,870
Contributions in relation to the contractually required contribution	(4,117,225)	(2,831,723)	(3,771,235)	(3,254,337)	(3,179,349)	(1,978,158)	(1,690,498)	(1,613,118)	(1,402,843)	(1,342,870)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*
District's covered-employee payroll	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	$ 11,563,570	$ 11,295,029	$ 10,532,313
Contributions as a percentage of of covered-employee payroll	23.34%	26.79%	26.94%	24.06%	24.06%	16.22%	14.48%	13.95%	12.42%	12.75%

* 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.

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability - LIF

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0%	0%	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	338,000	393,000	165,000	416,000	349,000	310,000	239,000	*	*	*
Total net OPEB liability	$ 338,000	$ 393,000	$ 165,000	$ 416,000	$ 349,000	$ 310,000	$ 239,000	*	*	*
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*	*
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%	0.0%	0.0%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	76.91%	73.97%	89.15%	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, 2023:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	24 Years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions - LIF

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	*	*	*	*
Contribution deficiency	-	-	-	-	-	-	*	*	*	*
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	# $ 29,224,896	# $ 25,652,295	# $ 37,773,178	# *	*	*	*
Contributions as a percentage of 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.

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0.664526%	0.969863%	0.710354%	0.681043%	0.635327%	0.605133%	0.612515%	*	*	*
District's proportionate share of the collective net OPEB liability	$ 16,185,000	$ 24,077,000	$ 15,242,000	$ 17,188,000	$ 18,595,000	$ 20,996,000	$ 21,841,000	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ 13,642,000	$ 7,910,000	$ 12,379,000	$ 13,768,000	$ 15,017,000	$ 18,095,000	$ 17,841,000	*	*	*
Total net OPEB liability	$ 29,827,000	$ 31,987,000	$ 27,621,000	$ 30,956,000	$ 33,612,000	$ 39,091,000	$ 39,682,000	*	*	*
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	32.5%	48.3%	33.2%	67.0%	49.2%	57.3%	60.9%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	52.97%	47.75%	51.74%	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

Changes to assumptions

2023: The health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorily determined amounts as noted in the assumed asset allocation for MIF.

SCOTT COUNTY SCHOOL DISTRICT

Schedule of the District Contributions – MIF

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,259,166	$ 1,286,886	$ 1,260,883	$ 1,202,768	$ 1,106,278	$ 1,133,195	$ 1,097,650	*	*	*
Contributions in relation to the contractually required contribution	(1,259,166)	(1,286,886)	(1,260,883)	(1,202,768)	(1,106,278)	(1,133,195)	(1,097,650)	*	*	*
Contribution deficiency	-	-	-	-	-	-	-	*	*	*
District's covered-employee payroll	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*	*
Contributions as a percentage of of covered-employee payroll	2.53%	2.58%	2.75%	4.12%	4.31%	3.00%	3.00%	*	*	*

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

Changes of benefit terms - None

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorily determined amounts as noted in the assumed asset allocation for MIF.

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0.515136%	0.506024%	0.529359%	0.515551%	0.476023%	0.462650%	0.462977%	*	*	*
District's proportionate share of the collective net OPEB liability	$ (711,231)	$ 9,986,453	$ 10,134,313	$ 12,448,989	$ 8,006,492	$ 8,214,259	$ 9,307,421	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*
Total net OPEB liability	$ (711,231)	$ 9,986,453	$ 10,134,313	$ 12,448,989	$ 8,006,492	$ 8,214,259	$ 9,307,421	*	*	*
District's covered-employee payroll	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	$ 11,563,570	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	-6.73%	71.35%	74.93%	94.21%	65.65%	70.36%	80.49%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	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.
2023: The health care trend rates were increased to reflect future anticipated experience.

SCOTT COUNTY SCHOOL DISTRICT

Schedule District Contributions – MIF (CERS)

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 506,931	$ 583,596	$ 643,760	$ 628,778	$ 631,749	$ 641,499	$ 548,712	*	*	*
Contributions in relation to the contractually required contribution	(506,931)	(583,596)	(643,760)	(628,778)	(631,749)	(641,499)	(548,712)	*	*	*
Contribution deficiency	-	-	-	-	-	-	-	*	*	*
District's covered-employee payroll	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	*	*	*
Contributions as a percentage of of covered-employee payroll	2.87%	5.52%	4.60%	4.65%	4.78%	5.26%	4.70%	*	*	*

* 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.

SCOTT COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2024
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education Cluster			
Special Education Grants to States	84.027	3810002-23	$ 1,002,205
Special Education Grants to States	84.027	3810002-23	19,610
Special Education Grants to States	84.027	3810002-24	991,658
Special Education Grants to States	84.027	3810002-24	70,814
Special Education Grants to States	84.027	3810002-24	13,773
Special Education Grants to States	84.027	3810002-22	156,006
Special Education Grants to States	84.027	3810002-22	5,209
Total ALN #84.027			2,259,275
Special Education - Preschool Grants	84.173	3800002-22	346
Special Education - Preschool Grants	84.173	3800002-22	70,148
Special Education - Preschool Grants	84.173	3800002-23	2,424
Special Education - Preschool Grants	84.173	3800002-24	63,542
Total ALN #84.173			136,460
Total Special Education Cluster			2,395,735
Title I Grants to Local Educational Agencies	84.010	3100002-22	9,797
Title I Grants to Local Educational Agencies	84.010	3100002-23	257,855
Title I Grants to Local Educational Agencies	84.010	3100002-23	5,760
Title I Grants to Local Educational Agencies	84.010	3100002-23	11,078
Title I Grants to Local Educational Agencies	84.010	3100002-24	2,151
Title I Grants to Local Educational Agencies	84.010	3100002-24	2,011
Title I Grants to Local Educational Agencies	84.010	3100002-24	1,253,874
Title I Grants- School Improvement Plan A - Educational Recovery Staff	84.010	3100002-23	418,961
Total ALN #84.010			1,961,487
Migrant Education - State Grant Program	84.011	3110002-23	88,898
Migrant Education - State Grant Program	84.011	3110002-24	132,710
Total ALN #84.011			221,608
Vocational Education - Basic Grants to States	84.048	3710002-24	105,355
Vocational Education - Basic Grants to States	84.048	3710002-24	8,714
Total ALN #84.048			114,069
English Language Acquisition State Grants	84.365	3300002-22	42,884
English Language Acquisition State Grants	84.365	3300002-23	47,673
Total ALN #84.365			90,557
Title II Improving Teacher Quality State Grants	84.367	3230002-22	2,680
Title II Improving Teacher Quality State Grants	84.367	3230002-23	259,976
Title II Improving Teacher Quality State Grants	84.367	3230002-24	44,317
Total ALN #84.367			306,973
Student Support and Academic Enrichment Program	84.424	3420002-21	7,334
Student Support and Academic Enrichment Program	84.424	3420002-22	2,354
Student Support and Academic Enrichment Program	84.424	3420002-22	46,016

SCOTT COUNTY SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2024
Student Support and Academic Enrichment Program	84.424	3420002-22	$ 34,405
Student Support and Academic Enrichment Program	84.424	3420002-23	1,742
Student Support and Academic Enrichment Program	84.424	3420002-23	4,529
Student Support and Academic Enrichment Program	84.424	3420002-23	5,065
Student Support and Academic Enrichment Program	84.424	3420002-23	47,173
Student Support and Academic Enrichment Program	84.424	3420002-24	88,822
Student Support and Academic Enrichment Program	84.424	3420002-24	5,200
Student Support and Academic Enrichment Program	84.424	3420002-24	36,581
Student Support and Academic Enrichment Program - MOAs with the State	84.424	3420002-23	136,243
Total ALN #84.424			415,464
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	221,564
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	1,321
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	9,768
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	2,398,491
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	8,196
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	94,344
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	10,183
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	604,652
COVID-19 ARP ESSER Homeless Children and Youth	84.425W	4000000-22	50,065
COVID-19 ARP ESSER Homeless Children and Youth	84.425W	4000002-24	35,000
Passed through Kentucky Educational Cooperative			
COVID-19 ARP ESSER Deeper Learning	84.425U	Not available	68,056
Total ALN #84.425			3,501,640
ARPA Child Sustainment	93.575	4000002-21	370,638
Congressional Academy	84.422A	U422A18006-20	3,757
Congressional Academy	84.422A	U422A18006-20	11,777
Total ALN #84.422A			15,534
Promoting Adolescent Health Through School-Based Surveillance	93.079	Not available	606
Promoting Adolescent Health Through School-Based Surveillance	93.079	Not available	403
Total ALN #93.079			1,009
Diesel Emissions Reduction Act Grant	66.040	Not available	98,259
Community Schools Initiative	84.215J	Not available	61,640
Total U.S. Department of Education			9,554,613
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Kentucky Department of Agriculture			
School Breakfast Program	10.553	7760005-23	545,454
School Breakfast Program	10.553	7760005-24	822,673
Total ALN #10.553			1,368,127
After School Snack Program	10.555	7750002-23	1,678,426
After School Snack Program	10.555	7750002-24	2,086,309
Total ALN #10.555			3,764,735
Summer Food Service Program for Children	10.559	7740023-23	37,461
Summer Food Service Program for Children	10.559	7740023-24	996
Total ALN #10.559			38,457
National School Lunch Program - Food Donation	10.555	57502	315,445
Total Child Nutrition Cluster			5,486,764
Child and Adult Care Food Program	10.558	7790021-23	144,079
Child and Adult Care Food Program	10.558	7790021-24	238,884
Child and Adult Care Food Program	10.558	7800016-23	10,001
Child and Adult Care Food Program	10.558	7800016-24	16,581
Total ALN #10.558			409,545
Total U.S. Department of Agriculture			5,896,309
Total Expenditures of Federal Awards			$ 15,450,922

SCOTT COUNTY SCHOOL DISTRICT

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

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Scott County School District under programs of the federal government for the year ended June 30, 2024, 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 (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Scott 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, 2024, the District reported food commodities expended in the amount of $315,445.

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, 2024.

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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
Scott County School District
Georgetown, 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 Scott County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Scott County School District's basic financial statements, and have issued our report thereon dated November 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Scott 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 Scott County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Scott 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scott 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 81-84 on the audited financial statements.

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 14, 2024

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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
Scott County School District
Georgetown, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scott 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 Scott County School District's major federal programs for the year ended June 30, 2024. Scott County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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 (Continued)

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

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

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 14, 2024

SCOTT COUNTY SCHOOL DISTRICT

Schedule of Findings of Questioned Costs
Year Ended June 30, 2024

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ____ Yes X No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

SCOTT COUNTY SCHOOL DISTRICT

Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2024

SECTION I -SUMMARY OF AUDITOR'S RESULTS

No matters were reportable.

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reportable.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters were reportable.

SCOTT COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2024

In planning and performing our audit of the financial statements of Scott County School District for the year ended June 30, 2024, 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 14, 2024 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 14, 2024, on the financial statements of the Scott County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Scott County High School

No matters are reportable.

Great Crossing High School

No matters are reportable.

Scott County Middle School

No matters are reportable.

Royal Spring Middle School

No matters are reportable.

Georgetown Middle School

2024-01: Purchase Orders not being approved

Criteria – Per best practices recommended by the Kentucky Department of Education, purchase orders should be marked approved before purchases are made.

Condition – During the testing of Activity Funds, it was noted that there were purchase orders not being approved.

Effect – Proper procedures were not being followed.

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

Recommendation – We recommend that all purchase orders be approved by a responsible individual before purchases are made.

Board Response – The School Bookkeeper and Principal will review all purchase orders to ensure proper approval.

CURRENT YEAR RECOMMENDATIONS (CONTINUED)

Elkhorn Crossing

No matters are reportable.

Anne Mason Elementary

No matters are reportable.

Eastern Elementary

No matters are reportable.

Garth Elementary

No matters are reportable.

Northern Elementary

No matters are reportable.

Lemons Mill Elementary

No matters are reportable.

Stamping Ground Elementary

No matters are reportable.

Western Elementary

No matters are reportable.

Southern Elementary

No matters are reportable.

Scott County Preschool Center

No matters are reportable.

Creekside Elementary

No matters are reportable.

Phoenix Horizon Community

No matters are reportable.

SCOTT COUNTY SCHOOL DISTRICT

Management Letter Comments (Continued)
Year Ended June 30, 2024

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Scott County High School

No matters are reportable.

Great Crossing High School

No matters are reportable.

Scott County Middle School

No matters are reportable.

Royal Spring Middle School

No matters are reportable.

Georgetown Middle School

No matters are reportable.

Elkhorn Crossing

No matters are reportable.

Anne Mason Elementary

No matters are reportable.

Eastern Elementary

No matters are reportable.

STATUS OF PRIOR YEAR RECOMMENDATIONS (CONTINUED)

Garth Elementary

No matters are reportable.

Northern Elementary

No matters are reportable.

Lemons Mill Elementary

No matters are reportable.

Stamping Ground Elementary

No matters are reportable.

Western Elementary

No matters are reportable.

Southern Elementary

No matters are reportable.

Scott County Preschool Center

No matters are reportable.

Creekside Elementary

No matters are reportable.

Phoenix Horizon Community

No matters are reportable.