

**FORT THOMAS INDEPENDENT SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Fort Thomas Independent School District  
Fort Thomas, Kentucky

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 of 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 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 opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue

as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and OPEB schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

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

***Other Supplementary Information***

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**Maddox & Associates CPAs Inc.**

Fort Thomas, Kentucky  
November 6, 2024

As management of the Fort Thomas Independent School District (District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information found within the body of this report.

### **FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of the District were more than its liabilities and deferred outflows at the close of the most recent fiscal year by \$32,561,778 (net position). The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations to citizens and creditors, was a deficit of (\$11,010,339). The District is committed to provide postemployment benefits to its employees. As a result, the District has recognized substantial liabilities in the financial statements for these benefits. As of year-end, the District has liabilities of for postemployment benefits of \$13,617,445 which caused the deficit balance in the unrestricted net position. The District's total net position increased by \$5,983,472 .

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements.

#### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the District 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 the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, district and school administration, business and plant operations, student transportation, and operation of non-instructional services. Fixed assets and debt is also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 9-10 of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is the state mandated accounting system including a 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 funds, proprietary funds, and fiduciary funds. The proprietary fund is for food service operations. The fiduciary fund is a trust fund established by benefactors to aid in student education, welfare, and teacher support. All other activities of the District are included in the governmental funds. The basic governmental fund financial statements can be found on pages 11-18 of this report.

## Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-51 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

## Net Position

	Governmental Activities		Business-Type Activities	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Assets</b>				
Current assets	\$ 9,580,707	\$ 12,514,976	\$ 592,461	\$ 441,160
Noncurrent assets	104,677,668	103,419,835	22,568	21,017
<b>Total assets</b>	<b>114,258,375</b>	<b>115,934,811</b>	<b>615,029</b>	<b>462,177</b>
Deferred outflows	5,970,656	9,185,733	190,465	232,108
<b>Liabilities</b>				
Current liabilities	7,176,113	7,776,670	12,508	14,582
Noncurrent liabilities	71,361,277	84,415,526	817,349	514,621
<b>Total liabilities</b>	<b>78,537,390</b>	<b>92,192,196</b>	<b>829,857</b>	<b>168,054</b>
Deferred inflows	8,584,503	6,566,994	520,997	189,276
<b>Net position</b>				
Net investment in capital assets	41,741,041	34,645,009	1,784	21,017
Restricted	2,376,436	(12,207,672)	(547,144)	(44,993)
Unrestricted	(11,010,339)	4,224,017	-	21,004.00
<b>Total net position</b>	<b>\$ 33,107,138</b>	<b>\$ 26,661,354</b>	<b>\$ (545,360)</b>	<b>\$ (2,972)</b>



**Change in Net Position**

	Governmental Activities		Business-Type Activities	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Revenues:</b>				
Local revenue sources	\$ 23,982,932	\$ 21,805,505	\$ 1,633,031	\$ 1,594,166
State revenue sources	23,393,801	26,142,801	97,168	91,803
Federal revenue sources	1,211,341	1,469,338	-	-
<b>Total revenues</b>	<b>\$ 48,588,074</b>	<b>\$ 49,417,644</b>	<b>\$ 1,730,199</b>	<b>\$ 1,685,969</b>
<b>Expenses:</b>				
Instruction	\$ 21,507,662	\$ 27,211,495	\$ -	\$ -
Student support	1,824,730	2,102,016	-	-
Instruction staff	2,327,166	2,098,041	-	-
District administrative	1,708,447	1,605,684	-	-
School administrative	2,836,312	3,145,936	-	-
Business support	1,100,955	1,489,263	-	-
Plant operations and maintenance	3,403,047	3,908,256	-	-
Student transportation	150,002	202,858	-	-
Food service	-	-	2,259,530	1,614,120
Community services	-	10,322	13,057	-
Land/site acquisitions	-	116,257	-	-
Building construction	-	-	-	-
Building improvements	5,170,530	-	-	-
Interest on long-term debt	2,033,363	2,020,886	-	-
<b>Total expenses</b>	<b>\$ 42,062,214</b>	<b>\$ 43,911,014</b>	<b>\$ 2,272,587</b>	<b>\$ 1,614,120</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>\$ 6,525,860</b>	<b>\$ 5,506,630</b>	<b>\$ (542,388)</b>	<b>\$ 71,849</b>

**GOVERNMENTAL FUND FINANCIAL ANALYSIS**

**Governmental Funds**

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

At the end of the current fiscal year, the District's government funds reported combined fund balances of \$8,121,514 a change of (\$2,814,182) from the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,420,678 . The total general fund balance decreased (\$161,410).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year, the District had \$103,842,134 in capital assets net of depreciation. Net capital assets changed by \$2,516,784 .

	Governmental Activities		Business-Type Activities	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Land and improvements	\$ 565,820	\$ 565,820	\$ -	\$ -
Buildings and improvements	99,436,855	95,729,340	-	-
Technology equipment	151,737	228,582	-	-
Vehicles	32,761	50,336	-	-
General equipment	1,889,193	1,932,555	1,784	21,017
Construction in progress	1,763,984	2,797,700	-	-
<b>Total capital assets, net</b>	<b>\$ 103,840,350</b>	<b>\$ 101,304,333</b>	<b>\$ 1,784</b>	<b>\$ 21,017</b>

**Long-Term Obligations**

At the end of the fiscal year, the District had \$77,341,911 in long-term liabilities. Long-term liabilities increased (\$13,122,915).

	Governmental Activities		Business-Type Activities	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Compensated absences	\$ 590,791	\$ 631,225	\$ -	\$ -
Operating leases	150,949	1,235,481	-	-
Loan payable	604,534	1,194,366	-	-
KISTA bonds payable	278,883	\$326,995	-	-
Bonds payable	62,099,309	66,452,398	-	-
Net OPEB liability	6,187,000	11,297,890	-	289,120
Net pension liability	6,613,096	8,811,850	817,349	225,501
<b>Total long-term liabilities</b>	<b>\$ 76,524,562</b>	<b>\$ 89,950,205</b>	<b>\$ 817,349</b>	<b>\$ 514,621</b>

**GENERAL FUND BUDGET**

Kentucky state statutes and the Kentucky Department of Education require school districts to adopt a budget that has a minimum 2% contingency. The District adopted a general fund budget that had a contingency of 7%.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

General fund revenue for the District for 2025 is budgeted to increase approximately \$250,000. Expenditures are budgeted to be approximately the same as the prior year. The 2025 budget has a 6% contingency.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Officer, Andy Remlinger, 28 N. Fort Thomas Ave., Fort Thomas, KY 41075.

Fort Thomas Independent School District  
Statement of Net Position  
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 8,858,739	\$ 557,612	\$ 9,416,351
Receivables	675,079	13,580	688,659
Prepaid expenditures	46,889	-	46,889
Inventory	-	21,269	21,269
Noncurrent assets			
Net OBEP asset - CERS	139,094	20,784	159,878
Right of use assets, net	698,224	-	698,224
Capital assets, net	103,840,350	1,784	103,842,134
<b>Total assets</b>	<b>114,258,375</b>	<b>615,029</b>	<b>114,873,404</b>
<b>Deferred outflows of resources</b>			
Loss on refunding	80,015	-	80,015
OPEB related	4,847,345	58,848	4,906,193
Pension related	1,043,296	131,617	1,174,913
<b>Total deferred outflows of resources</b>	<b>5,970,656</b>	<b>190,465</b>	<b>6,161,121</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	1,215,119	12,508	1,227,627
Unearned revenue	244,074	-	244,074
Accrued interest payable	553,635	-	553,635
Lease liability	40,321	-	40,321
Loan payable	604,534	-	604,534
KISTA bonds payable	40,341	-	40,341
Bonds payable	4,478,089	-	4,478,089
Noncurrent liabilities			
Compensated absences	590,791	-	590,791
Lease liability	110,628	-	110,628
KISTA bonds payable	238,542	-	238,542
Bonds payable	57,621,220	-	57,621,220
Net OPEB liability - TRS	6,187,000	-	6,187,000
Net pension liability	6,613,096	817,349	7,430,445
<b>Total liabilities</b>	<b>78,537,390</b>	<b>829,857</b>	<b>79,367,247</b>
<b>Deferred inflows of resources</b>			
OPEB related	7,324,339	365,246	7,689,585
Pension related	1,260,164	155,751	1,415,915
<b>Total deferred inflows of resources</b>	<b>8,584,503</b>	<b>520,997</b>	<b>9,105,500</b>
<b>Net position</b>			
Net investment in capital assets	41,741,041	1,784	41,742,825
Restricted (deficit)	2,376,436	(547,144)	1,829,292
Unrestricted (deficit)	(11,010,339)	-	(11,010,339)
<b>Total net position (deficit)</b>	<b>\$ 33,107,138</b>	<b>\$ (545,360)</b>	<b>\$ 32,561,778</b>

Fort Thomas Independent School District  
Statement of Activities  
Year Ended June 30, 2024

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contributions</u>	<u>Revenue over Expenses</u>
<b>Governmental Activities</b>					
Instruction	\$ 21,507,662	\$ 685,859	\$ 8,521,782	\$ -	\$ (12,300,021)
Support services:					
Student	1,824,730	-	569,962	-	(1,254,768)
Instructional staff	2,327,166	-	332,164	-	(1,995,002)
District administration	1,708,447	-	185,382	-	(1,523,065)
School administration	2,836,312	-	719,269	-	(2,117,043)
Business	1,100,955	-	320,507	-	(780,448)
Plant operation	3,403,047	-	579,032	-	(2,824,015)
Student transportation	150,002	-	-	-	(150,002)
Building improvements	5,170,530	-	-	-	(5,170,530)
Interest on long-term debt	2,033,363	-	3,350,615	-	1,317,252
<b>Total governmental activities</b>	<b>42,062,214</b>	<b>685,859</b>	<b>14,578,713</b>	<b>-</b>	<b>(26,797,642)</b>
<b>Business-Type Activities</b>					
Food service	2,272,587	1,609,823	97,168	-	(565,596)
<b>Total business-type activities</b>	<b>2,272,587</b>	<b>1,609,823</b>	<b>97,168</b>	<b>-</b>	<b>(565,596)</b>
<b>Total school district</b>	<b>\$ 44,334,801</b>	<b>\$ 2,295,682</b>	<b>\$ 14,675,881</b>	<b>\$ -</b>	<b>(27,363,238)</b>
			<b>Governmental</b>	<b>Business-Type</b>	
			<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Revenue over expenses</b>			<b>\$ (26,797,642)</b>	<b>\$ (565,596)</b>	<b>\$ (27,363,238)</b>
<b>General Revenues</b>					
Property taxes			16,933,530	-	16,933,530
Motor vehicle taxes			1,625,618	-	1,625,618
Utilities tax			979,086	-	979,086
State aid			1,238,999	-	1,238,999
SEEK			8,787,430	-	8,787,430
Investment earnings			684,263	23,208	707,471
Other			3,074,576	-	3,074,576
<b>Total general revenues</b>			<b>33,323,502</b>	<b>23,208</b>	<b>33,346,710</b>
Change in net position			6,525,860	(542,388)	5,983,472
<b>Net position (deficit) - beginning of year, as restated</b>			<b>26,581,278</b>	<b>(2,972)</b>	<b>26,578,306</b>
<b>Net position (deficit) - end of year</b>			<b>\$ 33,107,138</b>	<b>\$ (545,360)</b>	<b>\$ 32,561,778</b>

The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
Balance Sheet – Governmental Funds  
June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 5,422,892	\$ 98,449	\$ 1,182,270	\$ 2,155,128	\$ 8,858,739
Receivables	525,102	145,833	-	4,144	675,079
Prepaid expenditures	46,889	-	-	-	46,889
<b>Total assets</b>	<b>\$ 5,994,883</b>	<b>\$ 244,282</b>	<b>\$ 1,182,270</b>	<b>\$ 2,159,272</b>	<b>\$ 9,580,707</b>
<b>Liabilities</b>					
Accounts payable	\$ 202,906	\$ 208	\$ 960,954	\$ 51,051	\$ 1,215,119
Unearned revenue	-	244,074	-	-	244,074
<b>Total liabilities</b>	<b>202,906</b>	<b>244,282</b>	<b>960,954</b>	<b>51,051</b>	<b>1,459,193</b>
<b>Fund balances</b>					
Nonspendable	46,899	-	221,316	2,108,221	2,376,436
Restricted	324,400	-	-	-	324,400
Unassigned	5,420,678	-	-	-	5,420,678
<b>Total fund balances</b>	<b>5,791,977</b>	<b>-</b>	<b>221,316</b>	<b>2,108,221</b>	<b>8,121,514</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,994,883</b>	<b>\$ 244,282</b>	<b>\$ 1,182,270</b>	<b>\$ 2,159,272</b>	<b>\$ 9,580,707</b>

The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
 Reconciliation of the Balance Sheet – Governmental Funds  
 to the Statement of Net Position  
 June 30, 2024

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Total fund balances - governmental funds	\$ 8,121,514
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	103,840,350
Right of use assets	698,224

Deferred outflow and inflow of resources are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows - loss on refunding	80,015
Deferred outflows - OPEB	4,847,345
Deferred outflows - pensions	1,043,296
Deferred inflows - OPEB	(7,324,339)
Deferred inflows - pension	(1,260,164)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(553,635)
Lease liability	(150,949)
Loan payable	(604,534)
KISTA bonds payable	(278,883)
Bonds payable	(62,099,309)
Compensated absences	(590,791)
Net OPEB liability (asset)	(6,047,906)
Net pension liability	(6,613,096)

Net position of governmental activities	\$ 33,107,138
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The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds  
Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Construction Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
From local sources:						
Property taxes	\$ 14,861,145	\$ -	\$ -	\$ -	\$ 2,072,385	\$ 16,933,530
Motor vehicle taxes	1,625,618	-	-	-	-	1,625,618
Utility taxes	979,086	-	-	-	-	979,086
Earnings on investments	505,387	-	74,845	-	104,031	684,263
Tuition	685,859	-	-	-	-	685,859
Other local revenue	462,566	325,148	258,500	-	2,028,362	3,074,576
Intergovernmental state:						
SEEK	8,787,430	-	-	-	-	8,787,430
On-behalf	8,937,512	-	-	3,350,615	-	12,288,127
Other	142,247	693,993	-	-	1,482,004	2,318,244
Intergovernmental federal	-	1,211,341	-	-	-	1,211,341
<b>Total revenues</b>	<b>36,986,850</b>	<b>2,230,482</b>	<b>333,345</b>	<b>3,350,615</b>	<b>5,686,782</b>	<b>48,588,074</b>



Fort Thomas Independent School District  
Statement of Revenues, Expenditures and Changes in Fund  
Balances – Governmental Funds - Continued  
Year Ended June 30, 2024

	General	Special	Construction	Debt	Non-Major	Total
	Fund	Revenue	Fund	Service	Governmental	Governmental
<b>Expenditures</b>	Fund	Fund	Fund	Fund	Funds	Funds
Instruction	21,358,569	2,249,507	-	-	1,890,567	25,498,643
Support services:						
Student	1,989,290	3,492	-	-	-	1,992,782
Instruction staff	2,326,394	37,587	-	-	30,741	2,394,722
District administrative	1,767,370	-	-	-	-	1,767,370
School administrative	2,525,071	-	-	-	-	2,525,071
Business support	1,330,859	-	-	-	-	1,330,859
Plant operation and maintenance	3,968,369	-	-	-	-	3,968,369
Student transpiration	184,181	-	-	-	39,767	223,948
Building improvements	-	-	5,170,530	-	-	5,170,530
Debt service						
Principal	48,112	-	-	4,380,000	-	4,428,112
Interest	8,806	-	-	2,093,044	-	2,101,850
<b>Total expenditures</b>	<b>35,507,021</b>	<b>2,290,586</b>	<b>5,170,530</b>	<b>6,473,044</b>	<b>1,961,075</b>	<b>51,402,256</b>
Excess of revenues over (under)						
expenditures	1,479,829	(60,104)	(4,837,185)	(3,122,429)	3,725,707	(2,814,182)
<b>Other financing sources (uses)</b>						
Transfers in	-	60,104	1,528,500	3,122,429	0	4,711,033
Transfers out	(1,641,239)	-	-	-	(3,069,794)	(4,711,033)
<b>Total other financing sources (uses)</b>	<b>(1,641,239)</b>	<b>60,104</b>	<b>1,528,500</b>	<b>3,122,429</b>	<b>(3,069,794)</b>	<b>0</b>
Net change in fund balances	(161,410)	-	(3,308,685)	-	655,913	(2,814,182)
Fund balances - beginning	5,953,387	-	3,530,001	-	1,452,308	10,935,696
<b>Fund balances - end of year</b>	<b>\$ 5,791,977</b>	<b>\$ -</b>	<b>\$ 221,316</b>	<b>\$ -</b>	<b>\$ 2,108,221</b>	<b>\$ 8,121,514</b>

The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances – Governmental Funds  
 to the Statement of Activities  
 Year Ended June 30, 2024

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Net change in fund balances - total governmental funds	\$ (2,814,182)
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Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those asset is  
allocated over their estimated useful lives and reported as depreciation  
expense. 1,118,739

Repayment of long-term debt are expenditures in the governmental  
funds, but the repayment reduces long-term liabilities in the statement  
of net position. 5,756,849

Some expenses reported in the statement of activities do not require  
current financial resources and, therefore, are not reported as  
expenditures in the funds.

Amortization of bond refunding	(35,683)
Change in beginning net position	72,270
Change in accrued interest payable	135,598
Change in compensated absences	40,434
Change in OPEB liabilities and deferred amounts	1,001,082
Change in pension liabilities and deferred amounts	1,250,753

Change in net position of governmental activities	<u>\$ 6,525,860</u>
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The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
Statement of Net Position – Proprietary Fund  
June 30, 2024

	Food Service	Summer Enrichment	Adult Education	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 544,520	\$ 12,056	\$ 1,036	\$ 557,612
Accounts receivable	-	13,580	-	13,580
Inventories for consumption	21,269	-	-	21,269
<b>Total current assets</b>	<b>565,789</b>	<b>25,636</b>	<b>1,036</b>	<b>592,461</b>
<b>Noncurrent assets</b>				
Net OPEB asset - CERS	20,784	-	-	20,784
Capital assets, net	1,784	-	-	1,784
<b>Total noncurrent assets</b>	<b>22,568</b>	<b>-</b>	<b>-</b>	<b>22,568</b>
<b>Total assets</b>	<b>588,357</b>	<b>25,636</b>	<b>1,036</b>	<b>615,029</b>
<b>Deferred outflows of resources</b>				
OPEB related	58,848	-	-	58,848
Pension related	131,617	-	-	131,617
<b>Total deferred outflows of resources</b>	<b>190,465</b>	<b>-</b>	<b>-</b>	<b>190,465</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	11,609	899	-	12,508
<b>Total current liabilities</b>	<b>11,609</b>	<b>899</b>	<b>-</b>	<b>12,508</b>
<b>Long-term liabilities</b>				
Net pension liability	817,349	-	-	817,349
<b>Total long-term liabilities</b>	<b>817,349</b>	<b>-</b>	<b>-</b>	<b>817,349</b>
<b>Total liabilities</b>	<b>828,958</b>	<b>899</b>	<b>-</b>	<b>829,857</b>
<b>Deferred inflows of resources</b>				
OPEB related	365,246	-	-	365,246
Pension related	155,751	-	-	155,751
<b>Total deferred inflow of resources</b>	<b>520,997</b>	<b>-</b>	<b>-</b>	<b>520,997</b>
<b>Net position</b>				
Net investment in capital assets	1,784	-	-	1,784
Restricted	(572,917)	24,737	1,036	(547,144)
<b>Total net position (deficit)</b>	<b>\$ (571,133)</b>	<b>\$ 24,737</b>	<b>\$ 1,036</b>	<b>\$ (545,360)</b>

The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
Statement of Revenue, Expenses, and Changes  
In Fund Net Position – Proprietary Fund  
Year Ended June 30, 2024

	Food Service	Summer Enrichment	Adult Education	Total
<b>Operating revenues</b>				
Food service	\$ 1,591,997	\$ -	\$ -	\$ 1,591,997
Tuition	-	17,826	-	17,826
<b>Total operating revenues</b>	<b>1,591,997</b>	<b>17,826</b>	<b>-</b>	<b>1,609,823</b>
<b>Operating expenses</b>				
Salaries and wages	473,301	6,385	-	479,686
Employee benefits	895,858	413	-	896,271
Purchased services	30,973	220	-	31,193
Materials and supplies	840,165	6,039	-	846,204
Depreciation	19,233	-	-	19,233
<b>Total operating expenses</b>	<b>2,259,530</b>	<b>13,057</b>	<b>-</b>	<b>2,272,587</b>
<b>Operating loss</b>	<b>(667,533)</b>	<b>4,769</b>	<b>-</b>	<b>(662,764)</b>
<b>Non operating revenues</b>				
On-behalf revenue	97,168	-	-	97,168
Interest income	23,208	-	-	23,208
<b>Total other financing sources (uses)</b>	<b>120,376</b>	<b>-</b>	<b>-</b>	<b>120,376</b>
<b>Net change in fund balances</b>	<b>(547,157)</b>	<b>4,769</b>	<b>-</b>	<b>(542,388)</b>
<b>Fund balances - beginning of year</b>	<b>(23,976)</b>	<b>19,968</b>	<b>1,036</b>	<b>(2,972)</b>
<b>Fund balances - end of year</b>	<b>\$ (571,133)</b>	<b>\$ 24,737</b>	<b>\$ 1,036</b>	<b>\$ (545,360)</b>

The notes to the financial statements are an integral part of this statement.

Fort Thomas Independent School District  
Statement of Cash Flows – Proprietary Fund  
Year Ended June 30, 2024

	Food Service	Summer Enrichment	Adult Education	Total
<b>Cash flows from operating activities</b>				
Cash received:				
From food service sales	\$ 1,591,997	\$ -	\$ -	\$ 1,591,997
From tuition	-	4,246	-	4,246
Cash paid:				
To employees	(692,629)	(6,798)	-	(699,427)
To suppliers	(821,523)	(5,971)	-	(827,494)
For operating expenses	(30,973)	(220)	-	(31,193)
<b>Net cash used in operating activities</b>	<b>46,872</b>	<b>(8,743)</b>	<b>-</b>	<b>38,129</b>
<b>Cash flows from noncapital financing activities</b>				
Non operating grants	84,816	-	-	84,816
<b>Net cash provided by noncapital financing activities</b>	<b>84,816</b>	<b>-</b>	<b>-</b>	<b>84,816</b>
<b>Cash flows from investing activities</b>				
Purchases of equipment	-	-	-	-
Interest on investments	23,208	-	-	23,208
<b>Net cash provided by investing activities</b>	<b>23,208</b>	<b>-</b>	<b>-</b>	<b>23,208</b>
Net increase in cash	154,896	(8,743)	-	146,153
Cash - beginning of year	389,624	20,799	1,036	411,459
Cash - end of year	<u>\$ 544,520</u>	<u>\$ 12,056</u>	<u>\$ 1,036</u>	<u>\$ 557,612</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>				
Operating loss	\$ (667,533)	\$ 4,769	\$ -	\$ (662,764)
Adjustments to reconcile operating loss to net cash in operating activities				
Depreciation	19,233	-	-	19,233
Changes in:				
Receivables	-	(13,580)	-	(13,580)
Inventory	8,432	-	-	8,432
Payables	10,210	-	-	10,210
Deferred outflows	41,643	68	-	41,711
Deferred inflows	352,943	-	-	352,943
Net OPEB liability	(309,904)	-	-	(309,904)
Net pension liability	591,848	-	-	591,848
<b>Net cash used in operating activities</b>	<b>\$ 46,872</b>	<b>\$ (8,743)</b>	<b>\$ -</b>	<b>\$ 38,129</b>
<b>Noncash activities</b>				
Commodities received from federal	\$ -	\$ -	\$ -	\$ -
On-behalf payments received state	\$ 97,168	\$ -	\$ -	\$ 97,168

The notes to the financial statements are an integral part of this statement.

## **NOTE 1: ACCOUNTING POLICIES**

### **Reporting Entity**

The Fort Thomas Independent Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Fort Thomas Independent 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 by Section 2100 of the GASB 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 Board. The financial statements presented herein do not include funds of groups or organizations, which although associated with the school system, have not originated with the Board; such as Band Boosters, Parent-Teacher Associations, and others.

The financial statements of the District include those 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:

**Fort Thomas Independent Board of Education Finance Corporation** – The Board authorized the establishment of the Fort Thomas Independent Board of Education Finance Corporation (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 members of the Board also comprise the Corporation’s Board of Directors.

### **Basis of Presentation**

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

### **Government-Wide 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.

The statement of net position presents the financial condition of the District as a whole. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function.

**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

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 governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to determine legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds, if any, are presented in a single column.

**Governmental Fund Types**

The *General Fund* is the primary operating fund of the District. This used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Kentucky. This is a major fund of the District.

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 the specified project periods as well as state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

The *District Activity Fund* is a special revenue fund that accounts for funds received at the school level.

The *School Activity Fund* is a special revenue fund that accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the *Uniform Program of Accounting for School Activity Funds*.

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

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

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

**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

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, as required by state law.

**Proprietary Fund Types (Enterprise Funds)**

The *Food Service Fund* accounts for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. This is a major fund of the District.

**Fiduciary Fund Types**

Fiduciary funds account for assets held by the District in a trustee capacity for the benefit of others and cannot be used to support District activities.

**Measurement Focus and Basis of Accounting**

***Government-wide Financial Statements***

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

***Fund Financial Statements***

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within sixty days of year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures as well as expenditures related to long-term compensated absences and postemployment benefits are recorded only when payment is due.

**Assets, Liabilities, Deferred Inflows/Outflows, and Net Position/Fund Balance**

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an initial maturity date of ninety days or less.



**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

The District is authorized by state statute to invest in the following subject to additional requirements of KRS 66.480:

- Obligations of the United States and of its Agencies and instrumentalities
- Certificates of Deposit
- Bankers Acceptances
- Commercial Paper
- Bonds and Securities of other State and Local Governments
- Mutual Funds, Exchange Traded Funds, Individual Equity Securities and High-quality Corporate bonds managed by a professional investment manager

***Investments***

Investments with a maturity of less than one year are stated at cost. Investments with a maturity greater than one year are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

***Receivables***

*Accounts receivables* are presented, when necessary, net of an allowance for doubtful accounts. No allowance has been recorded for the current fiscal year.

***Capital Assets***

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

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

All reported capital assets are depreciated except for land. 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	50 Years
Improvements	20 Years
Infrastructure	40 Years
Vehicles	7 Years
General equipment	7 Years

**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

***Deferred Outflows***

Deferred outflows of resources represent a consumption of net position that applies to a future period, and therefore, are deferred until that time. The District recognized deferred outflows of resources related to pensions and other postemployment benefits on the government-wide financial statements.

***Payables and Accrued Liabilities***

All payables and accrued liabilities are reported on the government-wide financial statements and fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences, contractually required pension and OPEB contributions that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and other long-term obligations are recognized as a liability on the governmental fund financial statements when due.

***Compensated Absences***

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

***Long-Term Obligations***

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt consists of bonds, notes, and lease liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest are reported as expenditures.

***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 Employee Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis of as they are reported by CERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

***Other Post Employment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employee Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis of as they are reported by CERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

***Deferred Inflows***

Deferred inflows of resources represent an acquisition of net position that applies to a future period and, are therefore, deferred until that time. The District recognized deferred inflows of resources related to pension and other postemployment benefits on the government-wide financial statements. In the governmental funds, certain revenue transactions have been reported as unavailable revenue. Revenue that is earned but not available is reported as a deferred inflow of resources until such time as the revenue becomes available.

***Net Position***

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted* net position consists of restricted net assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use by external parties or by law through enabling legislation.

*Unrestricted* net position is the amount of net amount of assets, deferred outflows, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable*. Amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

**NOTE 1: ACCOUNTING POLICIES (CONTINUED)**

*Restricted.* Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed.* Amounts that can be used only for specific purposes determined by a formal action by District Council ordinance.

*Assigned.* Amounts that are designated for a specific purpose but are not spendable until a budget ordinance is passed or a there is majority passed vote by District Council.

*Unassigned.* All amounts not included in other spendable classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance, and then to committed, assigned, and unassigned fund balances in that order.

**Revenues and Expenditures/Expenses**

***Property Taxes***

Property taxes are levied in September on the assessed value listed as of the prior January 1 for all the 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.

The District levies a utility gross receipts license tax on telephone communication services, cablevision services, electric power, water, and gas furnished within the District's boundaries.

***Revenues***

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***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 the 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.

**NOTE 1: 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic 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 statement of net position, except for the net residual amounts due between governmental and business-type activities, where are presented as internal balances.

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Estimates**

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

**Budgetary Process**

An annual budget is adopted for each governmental fund by ordinance prior to July 1. The budget can be amended by a subsequent ordinance. Expenditures may not legally exceed budgeted appropriations at the function level.

**Subsequent Events**

The District evaluated subsequent events for potential recognition and disclosure through November 6, 2024, the date the financial statements were available to be issued.

**NOTE 2: CASH AND INVESTMENTS**

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

At year end, the District’s bank balance was \$10,431,367 and the carrying amount was \$9,416,351 . The bank balance was fully covered by FDIC insurance and collateralized securities held by the financial institution, but not in the name of the District.

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year is summarized below:

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
<b>Governmental Activities</b>				
Land and improvements	\$ 783,939	\$ -	\$ -	\$ 783,939
Buildings and improvements	123,569,188	6,437,777	-	130,006,965
Technology equipmenmt	3,027,865	-	-	3,027,865
Vehicles	441,784	-	-	441,784
General equipment	4,721,934	194,820	-	4,916,754
Construction in progress	2,797,700	1,763,984	2,797,700	1,763,984
<b>Total at historical cost</b>	<b>135,342,410</b>	<b>8,396,581</b>	<b>2,797,700</b>	<b>140,941,291</b>
<b>Less accumulated depreciation</b>				
Land and improvements	218,119	-	-	218,119
Buildings and improvements	27,839,848	2,730,262	-	30,570,110
Technology equipmenmt	2,799,283	76,845	-	2,876,128
Vehicles	391,448	17,575	-	409,023
General equipment	2,789,379	238,182	-	3,027,561
<b>Total accumulated depreciation</b>	<b>34,038,077</b>	<b>3,062,864</b>	<b>-</b>	<b>37,100,941</b>
<b>Capital assets - net</b>	<b>\$ 101,304,333</b>	<b>\$ 5,333,717</b>	<b>\$ 2,797,700</b>	<b>\$ 103,840,350</b>

**NOTE 3: CAPITAL ASSETS - CONTINUED**

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
<b>Business-type Activities</b>				
General equipment	\$ 631,157	\$ 0	\$ -	\$ 631,157
Technology equipment	3,639	-	-	3,639
<b>Total at historical cost</b>	<b>634,796</b>	<b>-</b>	<b>-</b>	<b>634,796</b>
Less accumulated depreciation				
General equipment	610,140	19,233	-	629,373
Technology equipment	3,639	-	-	3,639
<b>Total accumulated depreciation</b>	<b>613,779</b>	<b>19,233</b>	<b>-</b>	<b>633,012</b>
<b>Capital assets - net</b>	<b>\$ 21,017</b>	<b>\$ (19,233)</b>	<b>\$ -</b>	<b>\$ 1,784</b>

Depreciation was charged to following government functions:

	Governmental	Business-type
Instruction	\$ 2,478,767	\$ -
District admin support	570	-
School admin support	557,271	-
Plant operations	26,256	-
Food service	-	19,233
<b>Depreciation expense</b>	<b>\$ 3,062,864</b>	<b>\$ 19,233</b>

**NOTE 4: LONG-TERM LIABILITIES**

Long-term liability activity for the year is summarized below:

	Balance			Balance June 30, 2024	Amount	
	July 1, 2023	Additions	Reductions		Due Within One Year	Long-term
<b>Governmental Activities</b>						
Compensated absences	\$ 631,225	\$ -	\$ 40,434	\$ 590,791	\$ -	\$ 590,791
Lease liability	1,235,481	-	1,084,532	150,949	40,321	110,628
Loan payable	1,194,366	-	589,832	604,534	604,534	-
KISTA bonds payable	326,995	-	48,112	278,883	40,341	238,542
Bonds payable	66,452,398	-	4,353,089	62,099,309	4,478,089	57,621,220
Net OPEB liability	11,297,890	-	5,110,890	6,187,000	-	6,187,000
Net pension liability	8,811,850	-	2,198,754	6,613,096	-	6,613,096
<b>Total long-term liabilities</b>	<b>\$ 89,950,205</b>	<b>\$ -</b>	<b>\$ 13,425,643</b>	<b>\$ 76,524,562</b>	<b>\$ 5,163,285</b>	<b>\$ 71,361,277</b>

**NOTE 4: LONG-TERM LIABILITIES - CONTINUED**

<b>Business-type Activities</b>	Balance			Balance June 30, 2024	Amount Due Within	
	July 1, 2023	Additions	Reductions		One Year	Long-term
Net OPEB liability	\$ 289,120	\$ -	\$ 289,120	\$ -	\$ -	\$ -
Net pension liability	225,501	591,848	-	817,349	-	817,349
<b>Total long-term liabilities</b>	<b>\$ 514,621</b>	<b>\$ 591,848</b>	<b>\$ 289,120</b>	<b>\$ 817,349</b>	<b>\$ -</b>	<b>\$ 817,349</b>

**Bonds Payable**

The District issues general obligations bonds to provide funds for the acquisition of equipment and the construction of facilities. The bonds are direct obligations and pledge the full faith and credit of the District. General obligations outstanding at year end are as follows:

Issue	Proceeds	Rates	Balance June 30, 2024
2012	\$ 2,945,000	1.500% - 3.200%	\$ 2,495,000
2013	\$ 3,310,000	2.000% - 3.125%	2,505,000
2014	\$ 2,245,000	3.000% - 4.000%	1,505,000
2014 Ref	\$ 9,540,000	2.000% - 3.380%	4,340,000
2015B	\$ 4,575,000	2.000% - 3.380%	3,074,970
2015C	\$ 23,810,000	1.000% - 3.400%	15,930,000
2015 Ref	\$ 9,080,000	2.000% - 3.000%	2,490,000
2016 Ref	\$ 5,530,000	2.000%	2,270,000
2019	\$ 22,660,000	3.000% - 3.625%	21,030,000
2020	\$ 985,000	1.000% - 2.150%	870,000
2023B	\$ 595,000	3.300% - 4.150%	585,000
2023	\$ 5,490,000	3.200% - 4.300%	5,425,000
Bonds payable			62,519,970
Bond discount			(420,661)
<b>Bonds payable, net</b>			<b>\$ 62,099,309</b>



**NOTE 4: LONG-TERM LIABILITIES - CONTINUED**

Bond activity for the year is summarized below:

Issue	Balance			Amount		
	July, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year	Long-term
Series 2012	\$ 2,540,000	\$ -	\$ 45,000	\$ 2,495,000	\$ 50,000	\$ 2,445,000
Series 2013	2,585,000	-	80,000	2,505,000	80,000	2,425,000
Series 2014	1,590,000	-	85,000	1,505,000	85,000	1,420,000
Series 2014 Ref	4,990,000	-	650,000	4,340,000	660,000	3,680,000
Series 2015B	3,254,970	-	180,000	3,074,970	190,000	2,884,970
Series 2015C	16,985,000	-	1,055,000	15,930,000	1,085,000	14,845,000
Series 2015 Ref	3,790,000	-	1,300,000	2,490,000	1,335,000	1,155,000
Series 2016 Ref	2,805,000	-	535,000	2,270,000	550,000	1,720,000
Series 2019	21,375,000	-	345,000	21,030,000	355,000	20,675,000
Series 2020 Ref	900,000	-	30,000	870,000	35,000	835,000
Series 2023B	595,000	-	10,000	585,000	10,000	575,000
Series 2023	5,490,000	-	65,000	5,425,000	70,000	5,355,000
Total bonds	66,899,970	-	4,380,000	62,519,970	4,505,000	58,014,970
Bond discount	(447,572)		(26,911)	(420,661)	(26,911)	(393,750)
Bonds payable, net	<u>66,452,398</u>	<u>-</u>	<u>4,353,089</u>	<u>62,099,309</u>	<u>4,478,089</u>	<u>57,621,220</u>

Debt service requirements for the District's general obligation bonds are as follows:

Year End	Fort Thomas Ind School District		School Facility Construction Commission		Total Debt Service
	Principal	Interest	Principal	Interest	
June 30 2025	\$ 1,989,938	\$ 1,140,754	\$ 2,515,062	\$ 836,945	\$ 6,482,699
2026	2,046,671	1,084,684	2,588,329	764,858	6,484,542
2027	2,115,935	1,018,087	2,439,065	690,929	6,264,016
2028	2,178,668	957,235	2,481,332	620,409	6,237,644
2029	2,246,924	894,798	2,368,076	548,745	6,058,543
2030-2034	12,032,820	3,388,219	10,102,150	1,761,116	27,284,305
2035-2040	10,304,887	1,622,776	5,340,113	372,632	17,640,408
2041-2043	1,751,286	146,576	18,714	1,516	1,918,092
Total payments	<u>\$ 34,667,129</u>	<u>\$ 10,253,129</u>	<u>\$ 27,852,841</u>	<u>\$ 5,597,150</u>	<u>\$ 78,370,249</u>

Total principal payments	\$ 62,519,970
Total interest payments	<u>15,850,279</u>
Total debt service	<u>\$ 78,370,249</u>

**NOTE 4: LONG-TERM LIABILITIES – CONTINUED**

**KISTA Bonds Payable**

KISTA bond activity is summarized below:

Issue	Balance			Balance June 30, 2024	Amount Due Within	
	July , 2023	Additions	Reductions		One Year	Long-term
Series 2014	\$ 8,248	\$ -	\$ 8,248	\$ -	\$ -	\$ -
Series 2019	79,385	-	13,601	65,784	14,004	51,780
Series 2021	102,348	-	12,873	89,475	13,001	76,474
Series 2023	137,014	-	13,390	123,624	13,336	110,288
<b>Total KISTA bonds</b>	<b>\$ 326,995</b>	<b>\$ -</b>	<b>\$ 48,112</b>	<b>\$ 278,883</b>	<b>\$ 40,341</b>	<b>\$ 238,542</b>

Debt service requirements for the District’s KISTA bonds are as follows:

Year End June 30	Principal	Interest
2025	\$ 40,341	\$ 8,096
2026	40,055	6,978
2027	41,153	5,882
2028	38,109	4,752
2029	39,279	3,708
2030-2034	79,946	6,164
<b>Total payments</b>	<b>\$ 278,883</b>	<b>\$ 35,580</b>

**Loans Payable**

Loan activity is summarized below:

Contract	Balance			Balance June 30, 2024	Amount Due Within	
	July , 2023	Additions	Reductions		One Year	Long-term
Apple Computers	\$ 1,194,366	\$ -	\$ 589,832	\$ 604,534	\$ 604,534	\$ -
<b>Total loans payable</b>	<b>\$ 1,194,366</b>	<b>\$ -</b>	<b>\$ 589,832</b>	<b>\$ 604,534</b>	<b>\$ 604,534</b>	<b>\$ -</b>

Debt service requirements for the District’s loans are as follows:

Year End June 30	Principal	Interest
2025	\$ 604,534	\$ 21
<b>Total payments</b>	<b>\$ 604,534</b>	<b>\$ 21</b>

**NOTE 4: LONG-TERM LIABILITIES – CONTINUED**

**Operating Leases**

Operating lease activity is summarized below:

Contract	Balance			Amount		
	July, 2023	Additions	Reductions	June 30, 2024	Due Within One Year	Long-term
Highland Park	\$ 91,923	\$ -	\$ 9,660	\$ 82,263	\$ 10,157	\$ 72,106
Winkler Park	61,438	-	11,190	50,248	11,726	38,522
Telephones	72,616	-	54,178	18,438	18,438	-
Toshiba	24,097	-	24,097	-	-	-
<b>Total operating leases</b>	<b>\$ 250,074</b>	<b>\$ -</b>	<b>\$ 99,125</b>	<b>\$ 150,949</b>	<b>\$ 40,321</b>	<b>\$ 110,628</b>

Contract requirements for the District's leases are as follows:

Year End	Principal	Interest
June 30		
2025	\$ 40,321	\$ 2,681
2026	22,943	2,139
2027	24,029	1,553
2028	25,131	961
2029	12,276	640
2030-2034	26,249	345
<b>Total payments</b>	<b>\$ 150,949</b>	<b>\$ 8,319</b>

Weighted-average remaining lease term  
5.25 years

Weighted-average discount rate  
2.50%

**Right-of-Use Assets**

**Right-of-use assets reported in the statement of net position for leases and loans are as follows:**

Right-of-use assets	\$ 2,915,791
Accumulated amortization	<u>2,217,567</u>
Right-of-use assets, net	<u>\$ 698,224</u>

**Compensated absences**

Upon retirement from the school system, employees will receive from the District an amount equal to 30.00% of the value of accumulated sick leave. The compensated absences at year end is \$590,791 .

**NOTE 5: PENSION PLANS**

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

**General Information about the CERS Pension Plan**

***Plan Description***

CERS is a cost-sharing multi-employer public employee retirement system which covers substantially all regular full-time employees of each county, city, and school board and any additional eligible local agencies electing to participate in the Plan. The Plan is administered by the CERS Board of Trustees and is divided into a divided into non-hazardous duty and hazardous duty classifications.

***Benefits Provided***

CERS provides retirement, death, and disability benefits to plan members. Retirement benefits maybe extended to beneficiaries under certain circumstances. Employees are vested in the plan after five years of service.

For retirement purposes, non-hazardous employees are grouped into three tiers based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement	Before September 1, 2008 27 years service or 65 years old At least 5 years service and 55 years old, or 25 years service and any age
Tier 2	Participation date Unreduced retirement  Reduced retirement	September 1, 2008 to December 31, 2013 At least 5 years service and 65 years old, or age 57+ with sum of service years plus age equal At least 10 years service and 60 years old
Tier 3	Participation date Unreduced retirement  Reduced retirement	On or after January 1, 2014 At least 5 years service and 65 years old, or age 57+ with sum of service years plus age equal Not available

Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 2, 2009, and on July 1 of each year thereafter, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce cost-of-living adjustments if, in its judgment, the welfare of the Commonwealth so demands.

**NOTE 5: PENSION PLANS – CONTINUED**

***Contributions***

*Employees* – Tier 1 plan members are required to contribute 5% of their creditable compensation. Employees who begin participation on or after September 1, 2008 (Tier 2 and Tier 3) are required to contribute an additional 1%.

*Employers* – The contribution rate for the current year was 23.34%. The District made all required contributions for fiscal year in the amount of \$786,992 .

**General Information about the TRS Pension Plan**

***Plan Description***

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS)—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at [http://www.ktrs.ky.gov/05\\_publications/index.htm](http://www.ktrs.ky.gov/05_publications/index.htm).

***Benefits Provided***

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

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

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon

retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

**NOTE 5: PENSION 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. KTRS 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 (KRS). 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 KTRS.

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.

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

***CERS***

At June 30, 2024, the District reported a liability of \$7,430,445 for its proportionate share of the net pension liability for CERS. The net pension liability for the 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, 2022, the District's proportion was 0.11580%.

For the year ended June 30, 2024, the District recognized pension expense of (\$552,707) related to CERS

**NOTE 5: PENSION PLANS – CONTINUED**

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

**TRS**

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 State’s proportionate share of the TRS net pension liability associated with the district is \$81,892,164 .

For the year ended June 30, 2024, the District recognized pension expense of \$5,344,455 related to TRS. The District also recognized revenue of \$5,344,455 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:

	CERS		
	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	\$ 384,660	\$ 20,191	
Change of assumptions	-	681,005	
Change in investment experience	-	101,355	
Change in proportionate share of contributions	3,261	613,364	
	387,921	<u>\$ 1,415,915</u>	<u>\$ (1,027,994)</u>
Subsequent contributions	<u>786,992</u>		
Total	<u>\$ 1,174,913</u>		

The contributions subsequent to the measurement date of \$786,992 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The net deferral of (\$1,027,994) will be recognized in pension expense as follows:

Year ending June 30	Net Deferral
2025	(642,033)
2026	(479,907)
2027	165,878
2028	<u>(71,932)</u>
	<u>\$ (1,027,994)</u>

**NOTE 5: PENSION PLAN (CONTINUED)**

**Actuarial assumptions**

**CERS**

The total pension liability, net pension liability, and sensitivity information as of June 30, 2023 were based on an actuarial valuation date of June 30, 2021. The total pension liability was rolled forward from the valuation date to the plan’s fiscal year ending June 30, 2023, using generally accepted actuarial principles

There was a change in the investment return assumption from 6.25% to 6.50%. The total pension liability as of June 30, 2023 was determined using these updated assumptions.

The actuarial assumptions are:

Employer fiscal year end	2024
Plan year end	2023
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Amortization period	30-year closed period at June 30, 2019
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increase - nonhazardous	3.30% to 10.30%
Salary increase - hazardous	3.55% to 19.05%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from P-2014 mortality improvement scale using a base year of 2019
Phase-in provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

**TRS**

The total pension liability, net pension liability, and sensitivity information as of June 30, 2023 were based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled forward from the valuation date to the plan’s fiscal year ending June 30, 2023, using generally accepted actuarial principles

There were no changes in the assumptions effecting the total pension liability as of June 30, 2023.



**NOTE 5: PENSION PLAN (CONTINUED)**

**Actuarial assumptions - Continued**

***TRS - Continued***

The actuarial assumptions are:

Employer fiscal year end	2024
Plan year end	2023
Actuarial valuation date	June 30, 2022
Inflation	2.50%
Salary increases, including inflation	3.00% - 7.50%
Investment return	7.10%
Municipal bond index rate:	
Prior measurement date	3.37%
Measurement date	3.66%
Year FNP is expected to be depleted	NA
Single equivalent interest rate:	
Prior measurement date	7.10%
Measurement date	7.10%
Post-retirement benefit increases	1.50% annually
Mortality	

Rates based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

**Long-term expected rate of return**

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

**NOTE 5: PENSION PLAN (CONTINUED)**

**Long-term expected rate of return – continued**

***CERS***

Asset Class	Target Allocation	Long-term Expected Nominal Return
Public equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Core bonds	10.00%	2.45%
Specialty credit/high yield	10.00%	3.65%
Cash	0.00%	1.39%
Real estate	7.00%	4.99%
Real return	13.00%	5.15%
<b>Expected real return</b>	<b>100.00%</b>	<b>5.75%</b>
Long-term inflation assumption		2.50%

***TRS***

Asset Class	Target Allocation	Long-term Expected Nominal Return
Large Cap US Equity	35.40%	5.00%
Small Cap US Equity	2.60%	5.50%
Developed International Equity	15.70%	5.50%
Emerging Markets Equity	5.30%	6.10%
Fixed Income	15.00%	1.90%
High Yield Bonds	5.00%	3.80%
Additional categories	5.00%	3.60%
Real Estate	7.00%	3.20%
Private Equity	7.00%	8.00%
Cash	2.00%	1.60%
<b>Expected real return</b>	<b>100.00%</b>	<b>7.10%</b>
Long-term inflation assumption		2.50%

**NOTE 5: PENSION PLAN (CONTINUED)**

**Discount rate**

A single discount rate of 6.50% and 7.10% was used to measure the total pension liability for CERS and TRS, respectively, for the fiscal year ending June 30, 2023. The single discount rate is based on the expected rate of return on pension plan investments for each plan. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the non-hazardous and hazardous pension plans' fiduciary net position and future contributions were separately projected and were each sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for each plan.

**Sensitivity of District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>5.50%</b>	<b>Discount Rate</b>	<b>7.50%</b>
	<hr/>	<hr/>	<hr/>
District's proportionate share of the CERS net pension liability	\$ 9,381,386	\$ 7,430,445	\$ 58,009,140

**Pension plan fiduciary net position**

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

**NOTE 6: OPEB PLAN**

**General Information about the CERS Plan**

***Plan Description***

The CERS Insurance fund is a cost-sharing, multiple-employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are regular full-time members employed in positions of each participating county, District, and school board, and any additional eligible local agencies electing to participate in the System. OPEB benefits may be extended to beneficiaries of plan members under certain circumstances. The Plan is administered by the CERS Board of Trustees and is divided into a divided into non-hazardous duty and hazardous duty classifications.

***Benefits Provided***

The CERS Insurance hospital and medical benefits to eligible plan members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. Premium payments are submitted to DEI. The KRS board contracts with Humana to provide health care benefits to the eligible Medicare retirees. The CERS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

For health insurance purposes, employees are grouped into three tiers based on hire date:

Tier 1	
Participation date	Before July 1, 2003
Insurance eligibility	10 years of service credit required
Benefit	Set percentage of single coverage health insurance based on service credit accrued at retirement
Tier 2	
Participation date	After September 1, 2008 and before December 31, 2013
Insurance eligibility	15 years of service credit required
Benefit	Set dollar amount based on service credit accrued, increased annually
Tier 3	
Participation date	After December 31, 2013
Insurance eligibility	15 years of service credit required
Benefit	Set dollar amount based on service credit accrued, increased annually

***Contributions***

*Employee Contributions.* Tier 1 plan members are not required to contribute. Employees who begin participation on or after September 1, 2008 (Tier 2 and Tier 3) are required to contribute 1.0% of creditable compensation to an account created for payment of health insurance benefits.

*Employer Contributions* – The contribution rate for the current year was 0.00%. The District made all required contributions for the fiscal year in the amount of \$0 .

**NOTE 6: OPEB PLAN (CONTINUED)**

**General Information about the TRS Plan**

***Plan Description***

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (KTRS)—a cost-sharing multiple-employer defined OPEB pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at [http://www.ktrs.ky.gov/05\\_publications/index.htm](http://www.ktrs.ky.gov/05_publications/index.htm).

***Benefits Provided***

To be eligible for medical benefits, the member must have retired either for service or disability. The KTRS 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 KTRS Medicare Eligible Health Plan.

***Contributions***

In order to fund the post-retirement healthcare benefit, six percent (6%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three percent (3%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and two and one quarter percent (2.25%) from 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. The District made all required contributions for the fiscal year in the amount of \$540,516 .

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

***CERS***

At June 30, 2024, the District reported an asset of \$159,878 for its proportionate share of the net OPEB liability for CERS . The net OPEB liability for the plan was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The District's proportion of the net OPEB liability was based on the District's share of 2023 contributions to the OPEB plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023 the District's proportionate share was 0.11580%.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$597,927) related to CERS.

**NOTE 6: OPEB PLAN (CONTINUED)**

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

**TRS**

At June 30, 2024, the District reported a liability of \$6,187,000 for its proportionate share of the net OPEB liability for TRS. The net OPEB liability for the plan was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The District's proportion of the net OPEB liability was based on the District's share of 2023 contributions to the OPEB plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023 the District's proportionate share was 0.25403%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$137,361 related to TRS.

**CERS and TRS**

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

	CERS		
	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	\$ 111,459	\$ 2,270,115	
Change of assumptions	314,630	219,265	
Change in investment experience	-	37,105	
Change in proportionate share of contributions	26,588	283,100	
	<u>452,677</u>	<u>\$ 2,809,585</u>	<u>\$ (2,356,908)</u>
Subsequent contributions	-		
Total	<u>\$ 452,677</u>		

	TRS		
	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	\$ -	\$ 2,097,000	
Change of assumptions	1,407,000	-	
Change in investment experience	116,000	-	
Change in proportionate share of contributions	2,390,000	2,783,000	
	<u>3,913,000</u>	<u>\$ 4,880,000</u>	<u>\$ (967,000)</u>
Subsequent contributions	540,516		
Total	<u>\$ 4,453,516</u>		

**NOTE 6: OPEB PLAN (CONTINUED)**

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

	Total		
	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	\$ 111,459	\$ 4,367,115	
Change of assumptions	1,721,630	219,265	
Change in investment experience	116,000	37,105	
Change in proportionate share of contributions	2,416,588	3,066,100	
	4,365,677	\$ 7,689,585	\$ (3,323,908)
Subsequent contributions	540,516		
Total	\$ 4,906,193		

The contributions subsequent to the measurement date of \$540,516 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The net deferral of (\$3,323,908) will be recognized as pension expense as follows:

Year ending June 30	Net Deferral
2025	\$ (879,740)
2026	(976,650)
2027	(468,159)
2028	(459,359)
2028	(255,000)
Thereafter	(285,000)
	\$ (3,323,908)

**Implicit Subsidy**

The fully-insured premiums paid for the Kentucky Employees' Health plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability.

**NOTE 6: OPEB PLAN (CONTINUED)**

**Actuarial assumptions**

**CERS**

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2023 were based on an actuarial valuation date of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan’s fiscal year ending June 30, 2023, using generally accepted actuarial principles

There was a change in the investment return assumption from 5.70% to 5.93%. The total pension liability as of June 30, 2023 was determined using these updated assumptions.

Employer fiscal year end	2024
Plan year end	2023
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level percent of pay
Amortization period	30-year closed period at June 30, 2019
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increase - nonhazardous	3.30% to 10.30%
Salary increase - hazardous	3.55% to 19.05%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates form P-2014 mortality improvement scale using a base year of 2019
Healthcare trend rates:	
Pre-65	Initial trend starting at 6.30% at January 1, 2023, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.30% at January 1, 2023, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.



**NOTE 6: OPEB PLAN (CONTINUED)**

**Actuarial assumptions – continued**

**TRS**

Employer fiscal year end	2024
Plan year end	2023
Actuarial valuation date	June 30, 2022
Inflation	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Salary increases, including inflation	3.00% - 7.50%
Investment return	
Health trust	7.10%
Life trust	7.10%
Municipal bond index rate:	3.66%
Year FNP is expected to be depleted	
Health trust	NA
Life trust	NA
Single equivalent interest rate:	
Health trust	7.10%
Life trust	7.10%
Health trust health care cost trends	
Medical trend	6.75% for FYE 2023 decreasing to an ultimate rate of 4.50% by FYE 2032
Medicare Part B premiums	1.55% for FYE 2023 with an ultimate rate of 4.50% by FYE 2034

**Long-term expected rate of return**

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

**NOTE 6: OPEB PLAN (CONTINUED)**

**Long-term expected rate of return - continued**

***CERS***

Asset Class	Target Allocation	Long-term Expected Nominal Return
Public equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Core bonds	10.00%	2.45%
Specialty credit/high yield	10.00%	3.65%
Cash	0.00%	1.39%
Real estate	7.00%	4.99%
Real return	13.00%	5.15%
<b>Expected real return</b>	<b>100.00%</b>	<b>5.75%</b>
Long-term inflation assumption		2.50%

***TRS - MIF***

Asset Class	Target Allocation	Long-term Expected Nominal Return
Large Cap US Equity	35.40%	5.00%
Small Cap US Equity	2.60%	5.50%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	9.00%	1.90%
High Yield Bonds	8.00%	3.80%
Additional categories	9.00%	3.70%
Real Estate	6.50%	3.20%
Private Equity	8.50%	8.00%
Cash	1.00%	1.60%
<b>Expected real return</b>	<b>100.00%</b>	<b>7.10%</b>
Long-term inflation assumption		2.50%

**NOTE 6: OPEB PLAN (CONTINUED)**

**Long-term expected rate of return - continued**

**TRS - LIF**

Asset Class	Target Allocation	Long-term Expected Nominal Return
US Equity	40.00%	5.20%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	21.00%	1.90%
Additional categories	5.00%	4.00%
Real Estate	7.00%	3.20%
Private Equity	5.00%	8.00%
Cash	2.00%	1.60%
<u>Expected real return</u>	<u>100.00%</u>	<u>7.10%</u>
<u>Long-term inflation assumption</u>		<u>2.50%</u>

**Discount rate**

Single discount rates of 5.93% and 7.10% for CERS and TRS respectively were used to measure the total OPEB liability as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 3.66%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan’s fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarially determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plan trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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

**NOTE 6: OPEB PLAN (CONTINUED)**

**Sensitivity of District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

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

	<u>1% Decrease</u> <u>4.93%</u>	<u>Current</u> <u>Discount Rate</u> <u>5.93%</u>	<u>1% Increase</u> <u>6.93%</u>
District's proportionate share of the CERS net OPEB liability (asset)	\$ 300,031	\$ (159,878)	\$ (544,996)
		<u>Current</u> <u>Discount Rate</u> <u>7.10%</u>	<u>1% Increase</u> <u>8.10%</u>
District's proportionate share of the TRS net OPEB liability	\$ 7,958,000	\$ 6,187,000	\$ 4,724,000
<b>Total</b>	<u>\$ 8,258,031</u>	<u>\$ 6,027,122</u>	<u>\$ 4,179,004</u>

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the District's proportionate share of the net OPEB liability calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the CERS net OPEB liability (asset)	\$ (512,438)	\$ (159,878)	\$ 273,208
District's proportionate share of the TRS net OPEB liability	4,554,000	6,187,000	8,345,000
<b>Total</b>	<u>\$ 4,041,562</u>	<u>\$ 6,027,122</u>	<u>\$ 8,618,208</u>

**OPEB plan fiduciary net position**

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

**NOTE 7: ON-BEHALF**

For the year ended June 30, 2024, payments made by the Commonwealth of Kentucky on behalf of the District for insurance benefits, retirement benefits, technology, and debt service. The following amounts were recorded in the Statement of Activities and the Statement of Revenue, Expenditures, and Changes in Fund Balance:

Fund	
General	\$ 8,937,513
Debt service	3,350,615
Food service	97,168
	<u>\$ 12,385,296</u>

Type	
Retirement	\$ 5,344,455
Health insurance less federal reimbursement	3,432,911
Life insurance	4,090
Administrative fee	32,720
HRA/Dental/Vision insurance	109,200
Technology	111,305
Debt service	3,350,615
	<u>\$ 12,385,296</u>

**NOTE 8: FUND TRANSFERS**

The following transfers were made during the year:

From	To	Purpose	Amount
General fund	Special revenue	Technology Match	\$ 60,104
General fund	Construction fund	Projects	1,433,660
General fund	Debt service	Debt service	147,475
Capital outlay	Construction fund	Projects	94,840
Building	Debt service	Debt service	2,974,954
		<u>Total transfers</u>	<u>\$ 4,711,033</u>

**NOTE 9: CONTINGENCIES**

*Grants.* The District receives funding from federal and state agencies in the form of grants. These funds are to be used for designated purposes only. If the federal or state grantor finds that funds have not been used for the intended purposes, the grantor may request a refund of monies advanced or refuse to reimburse the District for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of the District's grant programs is contingent upon the grantors satisfaction that the funds provided are being spent as intended and the grantors intent to continue their programs.

**NOTE 9: CONTINGENCIES - CONTINUED**

*Litigation.* The District is party to various legal proceedings which normally occur in governmental operations. It is neither possible to determine the outcome of these proceedings nor possible to estimate the effects adverse decisions may have on the future expenditures or revenue sources of the District. In the opinion of District management and its legal counsel these legal proceedings are not likely to have a material adverse impact on the accompanying financial statements. Therefore, no provision for any liability that may result upon adjudication of any cases has been made in the accompanying financial statements

**NOTE 10: RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District has obtained insurance coverage through a commercial insurance company. In addition, the District has effectively managed risk through various employee education and prevention programs. All risk general liability management activities are accounted for in the General Fund. Expenditures and claims are recognized when probable that a loss has occurred, and the amount of loss can be reasonably estimated.

Management estimates that the amount of actual or potential claims against the District as of June 30, 2024, will not materially affect the financial condition of the District. Therefore, the General Fund contains no provision for estimated claims. No claim has exceeded insurance coverage amounts in the past three fiscal year.

**NOTE 11: ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES**

During the fiscal year ended June 30, 2024, an error correction resulted in adjustments to and restatements of beginning net position and fund balances as follows:

	<u>Governmental Funds</u>	<u>Government-Wide</u>
	Student	Governmental
	Activity Fund	Activities
6/30/2023, as previously reported	\$ 494,779	\$ 26,661,354
Bonds payable	-	(318,716)
Lease liability	-	985,407
Right-of-use assets	-	(738,961)
Other	(7,806)	(7,806)
6/30/2023, as restated	<u>\$ 486,973</u>	<u>\$ 26,581,278</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Fort Thomas Independent School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
<b>Revenues</b>				
Local sources	\$ 17,985,000	\$ 17,985,000	\$ 19,119,661	\$ 1,134,661
State sources	8,585,000	8,585,000	17,867,189	9,282,189
<b>Total revenues</b>	<b>26,570,000</b>	<b>26,570,000</b>	<b>36,986,850</b>	<b>10,416,850</b>
<b>Expenditures</b>				
Instruction	14,599,451	14,599,451	21,358,569	(6,759,118)
Support services:				-
Student	1,526,928	1,526,928	1,989,290	(462,362)
Instruction staff	2,014,822	2,014,822	2,326,394	(311,572)
District administrative	1,677,676	1,677,676	1,767,370	(89,694)
School administrative	1,920,750	1,920,750	2,525,071	(604,321)
Business	1,135,137	1,135,137	1,330,859	(195,722)
Plant operations	3,334,630	3,334,630	3,968,369	(633,739)
Student transportation	134,976	134,976	184,181	(49,205)
Building improvements	5,000	5,000	-	5,000
Debt service	220,630	220,630	56,918	163,712
Contingency	1,900,000	1,900,000	-	1,900,000
<b>Total expenditures</b>	<b>28,470,000</b>	<b>28,470,000</b>	<b>35,507,021</b>	<b>(7,037,021)</b>
Excess (deficiency) of revenues over expenditures	(1,900,000)	(1,900,000)	1,479,829	(3,379,829)
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(1,641,239)	(1,641,239)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,641,239)</b>	<b>(1,641,239)</b>
Net change in fund balances	(1,900,000)	(1,900,000)	(161,410)	1,738,590
Fund balances - beginning of year	1,900,000	1,900,000	5,953,387	4,053,387
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,791,977</b>	<b>\$ 5,791,977</b>



Fort Thomas Independent School District  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
<b>Revenues</b>				
Local sources	\$ 71,050	\$ 71,050	\$ 325,148	\$ 254,098
State sources	643,470	643,470	693,993	50,523
Federal sources	1,042,120	1,042,120	1,211,341	169,221
<b>Total revenues</b>	<b>1,756,640</b>	<b>1,756,640</b>	<b>2,230,482</b>	<b>473,842</b>
<b>Expenditures</b>				
Instruction	1,692,087	1,692,087	2,249,507	(557,420)
Support services:				
Student	-	-	3,492	(3,492)
Instruction staff	65,629	65,629	37,587	28,042
<b>Total expenditures</b>	<b>1,757,716</b>	<b>1,757,716</b>	<b>2,290,586</b>	<b>(532,870)</b>
Excess (deficiency) of revenues over expenditures	(1,076)	(1,076)	(60,104)	59,028
<b>Other financing sources (uses)</b>				
Transfers in	-	-	60,104	60,104
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>60,104</b>	<b>60,104</b>
Net change in fund balances	(1,076)	(1,076)	-	1,076
Fund balances - beginning of year	-	-	-	-
<b>Fund balances - end of year</b>	<b>\$ (1,076)</b>	<b>\$ (1,076)</b>	<b>\$ -</b>	<b>\$ 1,076</b>

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

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

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

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

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

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

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

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

The Board has the ability to amend the working budget.

Fort Thomas Independent School District  
Schedule of District's Share of Net Pension Liability and Contributions – CERS  
June 30, 2024

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

Year ended June 30	Measurement period June 30	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered payroll	District's proportionate share of the net pension liability as a percentage covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	2023	0.1158%	\$ 7,430,445	\$ 3,432,444	216.48%	57.48%
2023	2022	0.1250%	\$ 9,037,351	\$ 3,441,508	262.60%	52.42%
2022	2021	0.1333%	\$ 8,500,515	\$ 3,486,712	243.80%	57.33%
2021	2020	0.1317%	\$ 10,099,287	\$ 3,473,757	290.73%	47.81%
2020	2019	0.1366%	\$ 9,607,350	\$ 3,546,364	270.91%	50.45%
2019	2018	0.1308%	\$ 7,967,763	\$ 3,338,010	238.70%	53.54%
2018	2017	0.1309%	\$ 7,661,160	\$ 3,239,050	236.52%	53.32%
2017	2016	0.1310%	\$ 6,449,774	\$ 3,157,875	204.24%	55.50%
2016	2015	0.1277%	\$ 5,491,732	\$ 2,994,701	183.38%	59.97%
2015	2014	0.1322%	\$ 4,288,514	\$ 3,049,942	140.61%	66.80%

**Schedule of District's Contributions - CERS**

Year ended June 30	Contractually required contribution	Actual contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 786,992	\$ 786,992	\$ -	\$ 3,371,859	23.34%
2023	\$ 921,022	\$ 921,022	\$ -	\$ 3,432,444	26.83%
2022	\$ 929,124	\$ 929,124	\$ -	\$ 3,441,508	27.00%
2021	\$ 839,193	\$ 839,193	\$ -	\$ 3,486,712	24.07%
2020	\$ 834,715	\$ 834,715	\$ -	\$ 3,473,757	24.03%
2019	\$ 771,744	\$ 771,744	\$ -	\$ 3,546,364	21.76%
2018	\$ 640,479	\$ 640,479	\$ -	\$ 3,338,010	19.19%
2017	\$ 604,930	\$ 604,930	\$ -	\$ 3,239,050	18.68%
2016	\$ 538,733	\$ 538,733	\$ -	\$ 3,157,875	17.06%
2015	\$ 529,157	\$ 529,157	\$ -	\$ 2,994,701	17.67%
2014	\$ 576,133	\$ 576,133	\$ -	\$ 3,049,942	18.89%

Fort Thomas Independent School District  
Schedule of District's Share of Net Pension Liability and Contributions - TRS  
June 30, 2024

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

Year ended June 30	Measurement period June 30	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State's proportionate share of the net pension liability associated with the District	District's covered payroll	District's proportionate share of the net pension liability as a percentage covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	2023	0.0000%	\$ -	\$ 81,892,164	\$ 16,519,187	0.00%	57.68%
2023	2022	0.0000%	\$ -	\$ 85,548,120	\$ 16,692,303	0.00%	56.41%
2022	2021	0.0000%	\$ -	\$ 65,861,047	\$ 16,373,117	0.00%	65.59%
2021	2020	0.0000%	\$ -	\$ 67,970,628	\$ 15,574,343	0.00%	58.27%
2020	2019	0.0000%	\$ -	\$ 66,017,366	\$ 15,491,357	0.00%	58.76%
2019	2018	0.0000%	\$ -	\$ 62,348,440	\$ 15,049,167	0.00%	59.30%
2018	2017	0.0000%	\$ -	\$ 126,478,915	\$ 14,596,474	0.00%	39.83%
2017	2016	0.0000%	\$ -	\$ 136,397,879	\$ 14,109,264	0.00%	35.22%
2016	2015	0.0000%	\$ -	\$ 104,532,988	\$ 14,109,264	0.00%	42.49%

**Schedule of District's Contributions - TRS**

Year ended June 30	Contractually required contribution	Actual contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2024	\$ -	\$ -	\$ -	\$ 18,017,200	0.00%
2023	\$ -	\$ -	\$ -	\$ 16,519,187	0.00%
2022	\$ -	\$ -	\$ -	\$ 16,692,303	0.00%
2021	\$ -	\$ -	\$ -	\$ 16,373,117	0.00%
2020	\$ -	\$ -	\$ -	\$ 15,574,343	0.00%
2019	\$ -	\$ -	\$ -	\$ 15,491,357	0.00%
2018	\$ -	\$ -	\$ -	\$ 15,049,167	0.00%
2017	\$ -	\$ -	\$ -	\$ 14,596,474	0.00%
2016	\$ -	\$ -	\$ -	\$ 14,109,264	0.00%

Fort Thomas Independent School District  
Schedule of District's Share of Net OPEB Liability and Contributions - CERS  
June 30, 2024

**Schedule of District's Proportionate Share of the Net OPEB Liability - CERS**

Year ended June 30	Measurement period June 30	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability (asset)	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	2023	0.0000%	\$ (159,878)	\$ 3,432,444	-4.66%	104.23%
2023	2022	0.1255%	\$ 2,476,010	\$ 3,441,508	71.95%	60.95%
2022	2021	0.1333%	\$ 2,551,847	\$ 3,486,712	73.19%	58.41%
2021	2020	0.1316%	\$ 3,178,609	\$ 3,473,757	91.50%	51.67%
2020	2019	0.1366%	\$ 2,297,012	\$ 3,546,364	64.77%	60.44%
2019	2018	0.1308%	\$ 2,322,719	\$ 3,338,010	69.58%	57.62%
2018	2017	0.1309%	\$ 2,631,256	\$ 3,239,050	81.24%	52.39%

**Schedule of District's Contributions - CERS**

Year ended June 30	Contractually required contribution	Actual contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2024	\$ -	\$ -	\$ -	\$ 3,731,859	0.00%
2023	\$ 144,696	\$ 144,696	\$ -	\$ 3,432,444	4.22%
2022	\$ 162,100	\$ 162,100	\$ -	\$ 3,441,508	4.71%
2021	\$ 160,547	\$ 160,547	\$ -	\$ 3,486,712	4.60%
2020	\$ 181,245	\$ 181,245	\$ -	\$ 3,473,757	5.22%
2019	\$ 152,399	\$ 152,399	\$ -	\$ 3,546,364	4.30%
2018	\$ 150,734	\$ 150,734	\$ -	\$ 3,338,010	4.52%
2017	\$ -	\$ -	\$ -	\$ 3,239,050	0.00%

Fort Thomas Independent School District  
 Schedule of District's Share of Net OPEB Liability and Contributions – TRS Medical Insurance Plan  
 June 30, 2024

**Schedule of District's Proportionate Share of the Net OPEB Liability - TRS Medical Insurance Plan**

Year ended June 30	Measurement period June 30	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State's proportionate share of the net OPEB liability associated with the District	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	2023	0.0000%	\$ 6,187,000	\$ 5,215,000	\$ 16,519,187	37.45%	52.97%
2023	2022	0.3670%	\$ 9,111,000	\$ 2,993,000	\$ 16,692,303	54.58%	47.75%
2022	2021	0.2710%	\$ 5,815,000	\$ 4,722,000	\$ 16,373,117	35.52%	51.47%
2021	2020	0.2585%	\$ 6,523,000	\$ 5,225,000	\$ 15,574,343	41.88%	32.58%
2020	2019	0.2590%	\$ 7,579,000	\$ 6,121,000	\$ 15,491,357	48.92%	32.58%
2019	2018	0.2468%	\$ 8,584,000	\$ 7,381,000	\$ 15,049,167	57.04%	25.54%
2018	2017	0.2485%	\$ 8,862,000	\$ 7,239,000	\$ 14,596,474	60.71%	21.18%

**Schedule of District's Contributions - TRS Medical Insurance Plan**

Year ended June 30	Contractually required contribution	Actual contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 540,516	\$ 540,516	\$ -	\$ 18,017,000	3.00%
2023	\$ 486,950	\$ 486,950	\$ -	\$ 16,519,187	2.95%
2022	\$ 481,029	\$ 481,029	\$ -	\$ 16,692,303	2.88%
2021	\$ 456,467	\$ 456,467	\$ -	\$ 16,373,117	2.79%
2020	\$ 450,920	\$ 450,920	\$ -	\$ 15,574,343	2.90%
2019	\$ 439,677	\$ 439,677	\$ -	\$ 15,491,357	2.84%
2018	\$ 425,816	\$ 425,816	\$ -	\$ 15,049,167	2.83%
2017	\$ 365,574	\$ 365,574	\$ -	\$ 14,596,474	2.50%

Fort Thomas Independent School District  
 Schedule of District's Share of Net OPEB Liability and Contributions – TRS Life Insurance Plan  
 June 30, 2024

**Schedule of District's Proportionate Share of the Net OPEB Liability - TRS Life Insurance Plan**

Year ended June 30	Measurement period June 30	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State's proportionate share of the net OPEB liability associated with the District	District's covered payroll	District's proportionate share of the net OPEB liability as a percentage covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	2023	0.0000%	\$ -	\$ 129,000	\$ 16,519,187	0.00%	76.91%
2023	2022	0.0000%	\$ -	\$ 149,000	\$ 16,692,303	0.00%	73.97%
2022	2021	0.0000%	\$ -	\$ 63,000	\$ 16,373,117	0.00%	89.15%
2021	2020	0.0000%	\$ -	\$ 158,000	\$ 15,574,343	0.00%	71.57%
2020	2019	0.0000%	\$ -	\$ 142,000	\$ 15,491,357	0.00%	73.40%
2019	2018	0.0000%	\$ -	\$ 17,000	\$ 15,049,167	0.00%	74.97%
2018	2017	0.0000%	\$ -	\$ 67,000	\$ 14,596,474	0.00%	79.99%

**Schedule of District's Contributions - TRS Life Insurance Plan**

Year ended June 30	Contractually required contribution	Actual contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2024	\$ -	\$ -	\$ -	\$ 18,017,200	0.00%
2023	\$ -	\$ -	\$ -	\$ 16,519,187	0.00%
2022	\$ -	\$ -	\$ -	\$ 16,692,303	0.00%
2021	\$ -	\$ -	\$ -	\$ 16,373,117	0.00%
2020	\$ -	\$ -	\$ -	\$ 15,574,343	0.00%
2019	\$ -	\$ -	\$ -	\$ 15,491,357	0.00%
2018	\$ -	\$ -	\$ -	\$ 15,049,167	0.00%
2017	\$ -	\$ -	\$ -	\$ 14,596,474	0.00%

SUPPLEMENTARY INFORMATION



Fort Thomas Independent School District  
Combining Balance Sheet – Nonmajor Funds  
June 30, 2024

	District Activity Fund	School Activity Fund	Capital Outlay Fund	Building Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 356,893	\$ 569,287	\$ 413,635	\$ 815,313	\$ 2,155,128
Receivables	606	140	-	3,398	4,144
Total assets	<u>\$ 357,499</u>	<u>\$ 569,427</u>	<u>\$ 413,635</u>	<u>\$ 818,711</u>	<u>\$ 2,159,272</u>
<b>Liabilities</b>					
Accounts payable	\$ 477	\$ 50,574	\$ -	\$ -	\$ 51,051
Total liabilities	<u>477</u>	<u>50,574</u>	<u>-</u>	<u>-</u>	<u>51,051</u>
<b>Fund balances</b>					
Restricted	<u>357,022</u>	<u>518,853</u>	<u>413,635</u>	<u>818,711</u>	<u>2,108,221</u>
Total fund balances	<u>357,022</u>	<u>518,853</u>	<u>413,635</u>	<u>818,711</u>	<u>2,108,221</u>
Total liabilities and fund balances	<u>\$ 357,499</u>	<u>\$ 569,427</u>	<u>\$ 413,635</u>	<u>\$ 818,711</u>	<u>\$ 2,159,272</u>

Fort Thomas Independent School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance – Nonmajor Funds  
Year Ended June 30, 2024

	District Activity Fund	Student Activity Fund	Capital Outlay Fund	Building Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
From local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,072,385	\$ 2,072,385
Earnings on investments	-	34,058	20,970	49,003	104,031
Other local revenue	397,410	1,630,952	-	-	2,028,362
Intergovernmental state:					
Other	-	-	300,398	1,181,606	1,482,004
<b>Total revenues</b>	<b>397,410</b>	<b>1,665,010</b>	<b>321,368</b>	<b>3,302,994</b>	<b>5,686,782</b>
<b>Expenditures</b>					
Instruction	327,945	1,562,622	-	-	1,890,567
Support services:					
Instruction staff	-	30,741	-	-	30,741
Student transportation	-	39,767	-	-	39,767
<b>Total expenditures</b>	<b>327,945</b>	<b>1,633,130</b>	<b>-</b>	<b>-</b>	<b>1,961,075</b>
Excess of revenues over (under) expenditures	69,465	31,880	321,368	3,302,994	3,725,707
<b>Other financing sources (uses)</b>					
Transfers out	-	-	(94,840)	(2,974,954)	(3,069,794)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(94,840)</b>	<b>(2,974,954)</b>	<b>(3,069,794)</b>
Net change in fund balances	69,465	31,880	226,528	328,040	655,913
Fund balances - beginning, as restated	287,557	486,973	187,107	490,671	1,452,308
<b>Fund balances - end of year</b>	<b>\$ 357,022</b>	<b>\$ 518,853</b>	<b>\$ 413,635</b>	<b>\$ 818,711</b>	<b>\$ 2,108,221</b>

Fort Thomas Independent School District  
 Combining Statement of School Activity Funds  
 Year Ended June 30, 2024

	Fund Balance June 30, 2023	Receipts	Disbursements	Fund Balance June 30, 2024
Highlands High School	\$ 400,359	\$ 1,638,947	\$ 1,614,085	\$ 425,221
Highlands Middle School	34,594	62,072	50,572	46,094
Johnson Elementary	13,203	36,028	33,290	15,941
Moyer Elementary	26,653	71,519	72,574	25,598
Woodfill Elementary	12,164	34,172	40,337	5,999
<u>Totals, as restated</u>	<u>\$ 486,973</u>	<u>\$ 1,842,738</u>	<u>\$ 1,810,858</u>	<u>\$ 518,853</u>

Fort Thomas Independent School District  
Statement of School Activity Funds  
Highlands High School  
Year Ended June 30, 2024

Fund Name	Fund Balance			Fund Balance June 30, 2024
	June 30, 2023	Receipts	Disbursements	
Academic Grants	\$ 9,099	\$ 84,000	\$ 81,500	\$ 11,599
Academic Team	-	817	817	-
Archery	-	17,354	12,873	4,481
Archery	-	6,528	6,528	-
Art Club	778	150	-	928
Athletic Hall of Fame	2,828	-	-	2,828
Athletics	-	102,068	102,068	-
Athletics HMS	1,792	-	1,792	-
B & G Golf Tournament	14,493	23,500	22,227	15,766
B & G Soccer Banner Sales	210	-	210	-
B & G Soccer Concessions	17,651	-	17,651	-
B & G Soccer Mulch Sales	3,436	8,635	12,071	-
BAM	8,892	57,961	65,660	1,193
Band	6,150	59,151	58,918	6,383
Baseball	7,168	38,882	46,050	-
Baseball	-	6,367	6,367	-
Baseball District	-	26	26	-
Baseball Region	-	2,116	2,116	-
Basketball - Boys	-	7,299	7,299	-
Basketball - Girls	-	8,830	8,830	-
Basketball Golf Outing	-	23,448	23,448	-
Bluebird Brew Café	691	8,669	9,360	-
Bowling	2,778	5,000	2,784	4,994
Bowling - Boys	-	1,407	1,407	-
Bowling - Girls	-	1,459	1,459	-
Boys - Track	3,141	2,042	351	4,832
Boys Basketball	5,164	57,269	56,997	5,436
Boys Basketball - HMS	-	3,335	3,335	-
Boys Basketball District	-	824	824	-
Boys Basketball Regional	-	6,091	6,091	-
Boys Basketball Rings	10	-	-	10
Boys Cross Country - HMS	-	350	350	-
Boys Soccer	4,578	25,131	10,901	18,808
Boys Soccer Regional	-	627	627	-
Boys Tennis	683	-	-	683
Boys Track - HMS	-	1,709	1,709	-
Broadcasting	1,857	1,200	2,776	281
Cheer	-	14,354	14,354	-
Cheer - HMS	7,063	10,677	13,876	3,864
Cheer - HMS	-	8,271	8,271	-
Cheerleaders	844	55,349	51,573	4,620

Fort Thomas Independent School District  
Statement of School Activity Funds  
Highlands High School  
Year Ended June 30, 2024

Fund Name	Fund Balance			Fund Balance June 30, 2024
	June 30, 2023	Receipts	Disbursements	
Chorus	1,802	852	1,895	759
Contingency	53,337	41,535	28,357	66,515
Creative Writing	192	-	-	192
Cross Country	4,114	3,686	6,492	1,308
Cross Country - Boys	-	1,888	1,888	-
Cross Country - Girls	-	1,860	1,860	-
Dance	-	4,091	4,091	-
Dance - HMS	-	6,005	6,005	-
Dance - HMS Fundraising	2,132	17,266	19,398	-
Dance - JV	503	5,631	5,943	191
Dance - Varsity	6,252	70,378	73,228	3,402
District Activity Funds Sweep	-	-	-	-
Diversity Club	1	-	-	1
Drama	5,935	21,577	27,512	-
Drama NYC Trip	10,255	66,478	65,087	11,646
Envirothon	2,943	4,234	7,177	-
Esports	-	1,178	1,178	-
Faculty/Staff Resources Fund	204	-	-	204
Fashion/Interior Design	11,453	23,370	25,234	9,589
FBLA	383	2,075	2,426	32
FCCLA	16,850	37,105	40,203	13,752
FCS - Preschool	1,515	1,240	1,000	1,755
Fee Sweep	-	4,924	-	4,924
Football	21,762	135,713	112,187	45,288
Football	-	76,678	76,678	-
Football 1st Round	-	7,236	7,236	-
Football 2nd Round	-	12,933	12,933	-
Football 3rd Round	-	8,535	8,535	-
Football 4th Round	-	21,327	21,327	-
General Account	138	1,313	-	1,451
German Club	461	84	-	545
Girls - Tennis	897	48	945	-
Girls - Track	3,664	1,804	713	4,755
Girls Basketball	3,344	20,673	19,025	4,992
Girls Basketball - HMS	-	2,415	2,415	-
Girls Basketball District	-	824	824	-
Girls Basketball Regional	-	6,091	6,091	-
Girls Cross Country - HMS	-	350	350	-
Girls Soccer	12,892	35,318	36,299	11,911
Girls Soccer District	-	1,821	1,821	-
Girls Soccer Regional	-	1,050	1,050	-

Fort Thomas Independent School District  
Statement of School Activity Funds  
Highlands High School  
Year Ended June 30, 2024

Fund Name	Fund Balance			Fund Balance June 30, 2024
	June 30, 2023	Receipts	Disbursements	
Girls Track - HMS	-	1,190	1,190	-
Golf - Boys	14,904	18,335	12,622	20,617
Golf - Boys	-	2,457	2,457	-
Golf - Boys State	-	374	374	-
Golf - Girls	2,056	4,675	1,589	5,142
Golf - Girls	-	2,075	2,075	-
Green Club	-	250	-	250
History Club	2,867	4,041	4,217	2,691
Holocaust Project	100	-	-	100
Hospitality/Culinary	1,316	5,111	6,427	-
Interest Earned	11,069	29,369	23,626	16,812
Journalism	1,491	3,601	782	4,310
Junior Prom	8,040	29,437	24,293	13,184
Math Honor Society	601	440	352	689
Mock Trial	1,681	4,250	4,697	1,234
Model UN	40	-	-	40
National German Exam	36	-	-	36
National Honor Society	1,385	1,820	1,735	1,470
NEHS	1,005	-	162	843
NSHS	628	-	453	175
Pot Luck Luncheon	237	-	-	237
Principal	6,084	11,129	16,345	868
Resource Center	511	-	-	511
Robotics	1,182	9,150	7,277	3,055
Scholarships - Dunn	1,000	5,000	4,000	2,000
Scholarships - Eide	9,836	2,000	1,000	10,836
Scholarships - HHS	7,113	775	4,500	3,388
Scholarships - Pollard	1,340	165	-	1,505
Scholarships - Schalak	8,091	-	8,091	-
Science Club	101	-	-	101
Science Field Trips	118	2,164	688	1,594
Senior Class	-	27,880	26,974	906
Sinfonia Orchestra	1,072	12,336	7,224	6,184
Soccer - Boys	-	1,864	1,864	-
Soccer - Girls	-	3,148	3,148	-
Softball	21,886	4,582	16,099	10,369
Softball - Regional	2,111	3,402	5,513	-
Softball - State	-	3,044	3,044	-
Softball District	-	1,313	1,313	-
Spanish Club	332	385	-	717
Speech/Debate	1,717	1,500	1,663	1,554

Fort Thomas Independent School District  
Statement of School Activity Funds  
Highlands High School  
Year Ended June 30, 2024

Fund Name	Fund Balance			Fund Balance June 30, 2024
	June 30, 2023	Receipts	Disbursements	
STLP	50	-	-	50
Strength & Conditioning	-	17,046	17,046	-
Student Coke Commissions	3,199	74	-	3,273
Student Council	-	7,015	7,015	-
Swim/Dive	574	6,172	4,019	2,727
Swim/Dive - Boys	-	5,169	5,169	-
Swim/Dive - Girls	-	5,178	5,178	-
Tennis - Boys	-	1,696	1,696	-
Tennis - Girls	-	2,113	2,113	-
Track - Boys	-	6,096	6,096	-
Track - Girls	-	5,068	5,068	-
Track Red Dog Meet	1,097	6,025	7,122	-
Track Refurbishment	8,425	-	-	8,425
Tri-M Music Honor Society	616	458	936	138
TSA/Industrial Arts	2,736	7,138	7,744	2,130
Volleyball	-	14,718	14,718	-
Volleyball	11,708	34,366	30,808	15,266
Volleyball - HMS	-	1,560	1,560	-
Volleyball District	143	73	216	-
Volleyball Regional	826	753	1,579	-
We The People	700	10,950	351	11,299
Wrestling	-	1,629	1,052	577
Wrestling	-	7,906	7,906	-
<b>Total</b>	<b>\$ 400,359</b>	<b>\$ 1,638,947</b>	<b>\$ 1,614,085</b>	<b>\$ 425,221</b>

Fort Thomas Independent School District  
 Schedule of Federal Expenditures  
 Year Ended June 30, 2024

<b>Federal Grantor/Pass-Through Grantor/ Program or Clust</b>	<b>Federal Assistance Listing</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures for FYE 6/30/2024</b>	
<b>U.S. Department of Education</b>				
<i>Passed through Kentucky Department of Education</i>				
Special Education Cluster (IDEA)				
Special Education_Grants to States (IDEA, Part B)	84.027	3810002 23	\$ 534,928	
	84.027	4910002 21	4,877	
Special Education_Preschool Grants (IDEA, Preschool	84.173	3800002 21	2,127	
	84.173	3800002 22	19,344	
	84.173	3800002 23	6,728	568,004
<hr/>				
Title I Grants to Local Educational Agencies	84.010	3100002 23	104,097	104,097
<hr/>				
Perkins Vocational Education	84.048	3710002 22	1,543	
	84.048	3710002 23	18,652	20,195
<hr/>				
Title II Supporting Effective Instruction State Grants	84.367	3230002 22	33,884	
	84.367	3230002 23	1,521	35,405
<hr/>				
Title IV Student Support and Academic Enrichment	84.424	3420002 21	6,397	
	84.424	3420002 22	11,573	
	84.424	3420002 23	3,077	21,047
<hr/>				
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425U	4300002 21	462,593	462,593
<hr/>				
<b>Total U.S Department of Education</b>			<u>1,211,341</u>	
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,211,341</u>	



**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Fort Thomas Independent School District (District) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

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

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

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: SUBRECIPIENTS**

The District did not provide federal funds to subrecipients for the year ended June 30, 2024.

**NOTE 5: COMMODITIES**

The District did not receive any nonmonetary assistance of USDA commodities.

**NOTE 6: FEDERAL AWARDS RECONCILIATION**

Federal revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 1,211,341
Federal grants reported on the Statement or Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	-
Donated commodities reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	-
Schedule of expenditures of federal awards	<u>\$ 1,211,341</u>



Kentucky State Committee for School District Audits  
Members of the Board of Education  
Fort Thomas Independent School District  
Fort Thomas, 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 and each major fund of the Fort Thomas Independent School District (District) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District basic financial statements and have issued our report thereon dated November 6, 2024.

#### **Report Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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 certain matters that we reported to management of the District in a separate letter dated November 6, 2024.

### **Purpose of this Report**

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

**Maddox & Associates CPAs Inc.**

Fort Thomas, Kentucky

November 6, 2024

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Fort Thomas Independent School District  
Fort Thomas, Kentucky

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities of those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

### ***Auditor's Responsibilities***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, we:

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

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

## Report on Internal Control over Compliance

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

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

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

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

**Maddox & Associates CPAs Inc.**

Fort Thomas, Kentucky  
November 6, 2024

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

       Yes      X   No

Significant deficiency(ies) identified?

       Yes      X   None reported

Noncompliance material to financial statements noted?

       Yes      X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

       Yes      X   No

Significant deficiency(ies) identified?

       Yes      X   None reported

Type of report the auditor issued on compliance with major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 500.516(a))?

       Yes      X   None reported

**Identification of Major Programs**

ALN	Name of Federal Program or Cluster
84.027 & 84.173	Special Education 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**

None reported

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

NO PRIOR FINDINGS



Fort Thomas Independent School District  
Management Letter  
Year Ended June 30, 2024

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Kentucky State Committee for School District Audits  
Members of the Board of Education  
Fort Thomas Independent School District  
Fort Thoomas, Kentucky

In planning and performing our audit of the financial statements of Fort Thomas Independent School District (District) for the year ended June 30, 2024, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that our opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. Any uncorrected comments from the prior year have been listed in this letter. A separate report dated November 6, 2024 contains our report on the District's internal control. This letter does not affect our report dated November 6, 2024 on the financial statements of the District.

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

**Maddox & Associates CPAs Inc.**

November 6, 2024

**Highlands Middle School**

**2024-01.** During testing of school activity fund receipts, we noted several instances of deposits not being made timely as required by Accounting Procedures for Kentucky School Activity Funds (Redbook).

**District Response**

Redbook procedures will be reviewed with the appropriate staff.

**Prior Year Comments**

No prior year comments were repeated in the current year.