

Boone County School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2022
With Independent Auditors' Report**

BOONE COUNTY SCHOOL DISTRICT

June 30, 2022

Table of Contents

Independent Auditors' Report	1-3
Management's Discussion and Analysis (MD&A - Unaudited)	4-8
Basic Financial Statements:	
District Wide Financial Statements:	
Statement of Net Position - District Wide	9
Statement of Activities - District Wide	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17
Notes to the Financial Statements	18-48

BOONE COUNTY SCHOOL DISTRICT

June 30, 2022

Table of Contents (Continued)

Required Supplementary Information and Other Information:

Combining Statements – Nonmajor Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	50
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund	51
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Special Revenue Fund	52
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Construction Fund	53
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – District Activity Fund	54
Statement of Receipts, Disbursements and Fund Balances - Bond and Interest Redemption Funds	55
Statement of Receipts, Disbursements and Fund Balances – Boone County High School Activity Fund	56-57
Statement of Receipts, Disbursements and Fund Balances - Conner High School Activity Fund	58-59
Statement of Receipts, Disbursements and Fund Balances - Copper High School Activity Fund	60-61
Statement of Receipts, Disbursements and Fund Balances – Larry A. Ryle High School Activity Fund	62-63
Statement of Receipts, Disbursements and Fund Balance - School Activity Funds	64
Schedule of the District’s Proportionate Share of the Net Pension Liability – KTRS	65
Schedule of District Contributions – KTRS	66
Schedule of the District’s Proportionate Share of the Net Pension Liability – CERS	67
Schedule of District Contributions – CERS	68

BOONE COUNTY SCHOOL DISTRICT

June 30, 2022

Table of Contents (Continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – LIF	69
Schedule of District Contributions – LIF	70
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF	71
Schedule of District Contributions – MIF	72
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)	73
Schedule of District Contributions – MIF (CERS)	74
Schedule of Expenditures of Federal Awards	75
Notes to the Schedule of Expenditures of Federal Awards	76
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77-78
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	79-80
Schedule of Findings and Questioned Costs	81
Schedule of Prior Year Findings and Questioned Costs	82
Management Letter Comments	83-92

Independent Auditors' Report

To the Members of the Board of Education
Boone County School District
Florence, Kentucky

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Boone County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

**Independent Auditors' Report
(Continued)**

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-8, 51-54, and 65-74 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Independent Auditors' Report
(Continued)**

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boone County School District's basic financial statements. The information on pages 49-50, 55, 56-63, and 75-76 as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The information on pages 49-50, 55, 56-63, and 75-76 as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 49-50, 55, 56-63, and 75-76 as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022 on our consideration of the Boone County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boone County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boone County School District's internal control over financial reporting and compliance.

Change In Accounting Principle

As discussed in Note 17 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, effective as of July 1, 2021. Our opinion is not modified with respect to this matter.



Crestview Hills, Kentucky
December 14, 2022

BOONE COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2022

As management of the Boone County School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

Boone County Schools' student enrollment was 20,851 students in the 2021-22 fiscal year. These students are housed in 25 schools including 4 high schools and a STEAM school conducting secondary level programs, 6 middle schools and 14 elementary schools.

Bonds are issued as the District modifies its facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations.

The General Fund recognized \$170 million in revenue consisting primarily of local property, occupational license, utilities, and motor vehicle taxes and the state program (SEEK) allocation. An additional \$56.4 million representing payments made on the District's behalf, by the State, for teachers' retirement contribution and employees' health insurance was recognized as revenue. The following shows recent trends in general fund revenues on a per pupil basis (adjusted average daily attendance). Current year's revenues show an increase in the amount collected.

2021-2022	\$8,816
2020-2021	\$8,409
2019-2020	\$8,311

The District administered over \$16.2 million in Federal, State and local grants and other programs during the year. An additional \$14.4 million was administered in the Child Nutrition programs.

The state's guaranteed base level of support (SEEK) was \$4,000 per pupil. Funding for Boone County Schools, after adjustments and local effort, was adjusted to \$2,578 per pupil. Per pupil funding is based on prior year adjusted average daily attendance factored with a current year growth rate. The comparative statewide average was \$3,947.

Boone County Board of Education recognized \$10.9 million in utility taxes and \$19.2 million in occupational license taxes, indicative of a relatively stable economy in Boone County. These permissive taxes account for 18% of general fund revenues providing some relief in the funding gap created by the state's funding formula. Without permissive tax revenues, the Boone County Board of Education would face severe funding deficits, further reducing the per pupil expenditures to a level lowest in the state.

General Fund expenditures were \$223.5 million. Salaries and related costs total \$197 million of the general operating expenditures. Included in this amount is \$56.1 million in retirement contributions and insurance benefits paid by the state on the District's behalf.

The success the District has achieved as one of the top performing large school districts in the state is partially credited to the commitment from the city and county governments as well and the business partnerships in the form of donations and other support to our schools. The District has also made a more aggressive effort to obtain competitive grants that will allow the District to achieve and maintain the status of a premier school district.

BOONE COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2022 (Continued)

FINANCIAL HIGHLIGHTS (CONTINUED)

As of the year ended June 30, 2022, the Boone County Board of Education sustained a stable financial status attributed to conservative spending practices. It is evident the Board has effectively and efficiently managed the resources and at the same time continues to make progress toward education proficiency.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The district-wide financial statements can be found on pages 9 and 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 a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations and day care operations. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 11 through 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 48 of this report.

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$103,684,473 as of June 30, 2022.

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

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

Net Position for the periods ending June 30, 2022 and 2021

The following is a summary of net position for the fiscal years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Current assets	\$ 105,392,648	\$ 96,113,134
Noncurrent assets	<u>347,349,169</u>	<u>332,621,664</u>
Total assets	<u>452,741,817</u>	<u>428,734,798</u>
Deferred outflows	<u>47,543,629</u>	<u>49,641,852</u>
Current liabilities	26,973,788	30,202,115
Noncurrent liabilities	<u>317,799,211</u>	<u>344,325,518</u>
Total liabilities	<u>344,772,999</u>	<u>374,527,633</u>
Deferred inflows	<u>51,843,089</u>	<u>25,936,282</u>
Net position		
Investment in capital assets (net of debt)	151,122,933	138,425,162
Restricted	(84,201,049)	(96,563,323)
Unrestricted	<u>36,747,474</u>	<u>36,050,896</u>
Total net position	<u>\$ 103,669,358</u>	<u>\$ 77,912,735</u>

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2022, were \$225,428,933, net of inter-fund transfers and sale of assets, of \$750,654 and \$57,468, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$9,604,557 more than budget or approximately 4.4% of General Fund Budget.
- General Fund actual expenditures were \$219,538,919, net of inter-fund transfers of \$3,959,481.
- General Fund actual expenditures were less than budgeted expenditures by \$25,134,098.

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2022
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	\$ 1,583,489	\$ 934,983
Operating grants	38,113,038	28,207,694
Capital grants	-	-
Total grant revenues	<u>39,696,527</u>	<u>29,142,677</u>
General Revenues		
Taxes	145,938,983	137,928,735
Grants and entitlements	8,872,574	23,877,923
Earnings on investments	128,102	159,714
Miscellaneous	<u>4,511,098</u>	<u>18,226,319</u>
Total general revenues	<u>159,450,757</u>	<u>180,192,691</u>
Total revenues	<u>199,147,284</u>	<u>209,335,368</u>
Expenses		
Instructional	57,122,349	89,492,395
Student support services	17,241,398	15,212,511
Staff support	11,060,879	10,419,963
District administration	7,482,417	6,585,752
School administration	16,315,553	15,125,766
Business support	6,344,473	6,653,620
Plant operations	14,824,532	26,164,115
Student transportation	17,665,470	16,091,677
Central office	31,772	-
Food service operation	11,182,955	8,926,312
Day care	157,854	151,255
Other	8,076,776	11,404,086
Interest on long-term debt	<u>5,884,233</u>	<u>5,878,588</u>
Total expenses	<u>173,390,661</u>	<u>212,106,040</u>
Change in net position	<u>\$ 25,756,623</u>	<u>\$ (2,770,672)</u>

BUDGETARY IMPLICATIONS

In Kentucky, the public school fiscal year is July 1-June 30; other programs, i.e. some federal programs, operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget with \$10,331,797 in contingency (4.2%). The cash balance for the beginning of the fiscal year was \$84,577,088.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Questions regarding this report should be directed to Mr. Matthew Turner, Superintendent (859) 282-2375 or to his representative Mrs. Linda Schild, Finance Officer (859) 282-2938 or by mail to: Central Office, 8330 U.S. Highway 42, Florence, Kentucky 41042.

BOONE COUNTY SCHOOL DISTRICT

**Statement of Net Position – District Wide
As of June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and cash equivalents	\$ 87,179,740	\$ 6,141,762	\$ 93,321,502
Accounts receivable	9,318,951	1,130,146	10,449,097
Interfund receivable	2,337,715	(950,630)	1,387,085
Prepaid expenses	101,659	-	101,659
Inventories for consumption	-	133,305	133,305
Total current	<u>98,938,065</u>	<u>6,454,583</u>	<u>105,392,648</u>
Noncurrent:			
Construction in progress	14,020,175	-	14,020,175
Nondepreciated capital assets:			
Land	13,720,372	-	13,720,372
Depreciated capital assets:			
Land improvements	22,077,929	-	22,077,929
Buildings and improvements	482,907,343	76,617	482,983,960
Furniture and equipment	47,482,989	5,267,885	52,750,874
Less: accumulated depreciation	<u>(233,512,198)</u>	<u>(4,691,943)</u>	<u>(238,204,141)</u>
Total noncurrent	<u>346,696,610</u>	<u>652,559</u>	<u>347,349,169</u>
Total assets	<u>445,634,675</u>	<u>7,107,142</u>	<u>452,741,817</u>
Deferred outflows	<u>46,400,374</u>	<u>1,143,255</u>	<u>47,543,629</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	17,443,660	-	17,443,660
Accounts payable	2,007,887	-	2,007,887
Accrued interest	1,502,096	-	1,502,096
Accrued sick leave	254,010	-	254,010
Accrued payroll and related expenses	2,786,908	-	2,786,908
Unearned revenues	1,592,082	-	1,592,082
Interfund payable	1,383,330	3,815	1,387,145
Total current	<u>26,969,973</u>	<u>3,815</u>	<u>26,973,788</u>
Noncurrent:			
Accrued sick leave	2,636,088	64,623	2,700,711
MIF net OPEB liability	58,401,624	1,485,812	59,887,436
CERS net pension liability	73,105,243	1,859,891	74,965,134
Bond obligations	180,245,930	-	180,245,930
Total noncurrent	<u>314,388,885</u>	<u>3,410,326</u>	<u>317,799,211</u>
Total liabilities	<u>341,358,858</u>	<u>3,414,141</u>	<u>344,772,999</u>
Deferred inflows	<u>50,556,857</u>	<u>1,286,232</u>	<u>51,843,089</u>
Net Position			
Invested in capital assets, net of related debt	150,470,374	652,559	151,122,933
Restricted	(87,092,832)	2,891,783	(84,201,049)
Unrestricted	36,741,792	5,682	36,747,474
Total net position	<u>\$ 100,119,334</u>	<u>\$ 3,550,024</u>	<u>\$ 103,669,358</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Activities – District Wide
For Year Ended June 30, 2022**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instructional	\$ 57,122,349	\$ -	\$ 15,555,172	\$ -	\$ (41,567,177)	\$ -	\$ (41,567,177)
Student support services	17,241,398	-	1,739,672	-	(15,501,726)	-	(15,501,726)
Staff support services	11,060,879	-	1,247,866	-	(9,813,013)	-	(9,813,013)
District administration	7,482,417	-	53,200	-	(7,429,217)	-	(7,429,217)
School administration	16,315,553	-	-	-	(16,315,553)	-	(16,315,553)
Business support services	6,344,473	-	338,331	-	(6,006,142)	-	(6,006,142)
Plant operation and maintenance	14,824,532	-	89,804	-	(14,734,728)	-	(14,734,728)
Student transportation	17,665,470	782,151	2,399,463	-	(14,483,856)	-	(14,483,856)
Central office	31,772	-	-	-	(31,772)	-	(31,772)
Food service operations	154,078	-	154,078	-	-	-	-
Day care operations	14,117	-	14,117	-	-	-	-
Community service operations	1,678,300	46	1,165,011	-	(513,243)	-	(513,243)
Facility acquisition and construction	3,966,586	-	-	-	(3,966,586)	-	(3,966,586)
Other	2,263,695	-	-	-	(2,263,695)	-	(2,263,695)
Interest on long-term debt	5,884,233	-	-	-	(5,884,233)	-	(5,884,233)
Total governmental activities	162,049,852	782,197	22,756,714	-	(138,510,941)	-	(138,510,941)
Business-type activities							
Food service	11,182,955	801,292	15,325,622	-	-	4,943,959	4,943,959
Daycare	157,854	-	30,702	-	-	(127,152)	(127,152)
Total business-type activities	11,340,809	801,292	15,356,324	-	-	4,816,807	4,816,807
Total school district	\$ 173,390,661	\$ 1,583,489	\$ 38,113,038	\$ -	(138,510,941)	4,816,807	(133,694,134)
General revenues:							
					145,938,983	-	145,938,983
					8,872,574	-	8,872,574
					118,683	9,419	128,102
					4,273,661	185,227	4,458,888
Special items:							
					52,210	-	52,210
					620,343	(620,343)	-
Total general and special revenues					<u>159,876,454</u>	<u>(425,697)</u>	<u>159,450,757</u>
Change in net position					21,365,513	4,391,110	25,756,623
Net position - beginning					78,753,821	(841,086)	77,912,735
Net position - ending					<u>\$ 100,119,334</u>	<u>\$ 3,550,024</u>	<u>\$ 103,669,358</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Balance Sheet – Governmental Funds
As of June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>District Activity Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ 49,090,017	\$ (855,324)	\$ 26,704,618	\$ 2,459,467	\$ 9,780,962	\$ 87,179,740
Interfund receivable	2,337,715		-	-	-	2,337,715
Accounts receivable	6,027,790	2,810,161	-	-	481,000	9,318,951
Prepaid expenses	101,659	-	-	-	-	101,659
Total assets	<u>\$ 57,557,181</u>	<u>\$ 1,954,837</u>	<u>\$ 26,704,618</u>	<u>\$ 2,459,467</u>	<u>\$ 10,261,962</u>	<u>\$ 98,938,065</u>
Liabilities and Fund Balances						
Liabilities						
Current:						
Accounts payable	\$ 160,326	\$ 266,578	\$ 1,580,983	\$ -	\$ -	\$ 2,007,887
Unearned revenue	-	1,592,082	-	-	-	1,592,082
Interfund payable		-	-	1,383,330	-	1,383,330
Accrued payroll and related expenses	2,786,908	-	-	-	-	2,786,908
	<u>2,947,234</u>	<u>1,858,660</u>	<u>1,580,983</u>	<u>1,383,330</u>	<u>-</u>	<u>7,770,207</u>
Noncurrent:						
Accrued sick leave	350,000	-	-	-	-	350,000
Total noncurrent	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Total liabilities	<u>3,297,234</u>	<u>1,858,660</u>	<u>1,580,983</u>	<u>-</u>	<u>-</u>	<u>8,120,207</u>
Fund Balances						
Restricted:						
Capital projects	-	-	25,123,635	-	6,884,170	32,007,805
Debt service	-	-	-	-	440,791	440,791
Grants	-	96,177	-	-	-	96,177
Other	-	-	-	1,076,137	2,167,639	3,243,776
Committed:						
Other	1,302,636	-	-	-	-	1,302,636
Assigned:						
Site based carryforward	1,739,704	-	-	-	-	1,739,704
Purchase obligations	2,006,921	-	-	-	80,000	2,086,921
New school openings	8,116,062	-	-	-	-	8,116,062
Future land purchase	1,000,000	-	-	-	-	1,000,000
Unassigned	40,094,624	-	-	-	689,362	40,783,986
Total fund balances	<u>54,259,947</u>	<u>96,177</u>	<u>25,123,635</u>	<u>1,076,137</u>	<u>10,261,962</u>	<u>90,817,858</u>
Total liabilities and fund balances	<u>\$ 57,557,181</u>	<u>\$ 1,954,837</u>	<u>\$ 26,704,618</u>	<u>\$ 2,459,467</u>	<u>\$ 10,261,962</u>	<u>\$ 98,938,065</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2022**

Total governmental fund balance		\$ 90,817,858
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	14,020,175	
Cost of capital assets	566,188,633	
Accumulated depreciation	<u>(233,512,198)</u>	346,696,610
Deferred outflows related to CERS	7,645,866	
Deferred outflows for CERS contributions made after the measurement date	8,245,822	
Deferred outflows for MIF contributions made after the measurement date	4,409,822	
Deferred outflows related to MIF	24,635,510	
Deferred outflows for bond refinancing	<u>1,463,354</u>	46,400,374
Deferred inflows related to CERS	(13,481,707)	
Deferred inflows related to MIF	<u>(37,075,150)</u>	(50,556,857)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(197,401,078)
Capital leases		(288,512)
Accrued interest on bonds		(1,502,096)
Assessed KISBIT liability		0
Net pension liability		(73,105,243)
Net OPEB liability		(58,401,624)
Accrued sick leave		<u>(2,540,098)</u>
Total net position - governmental		<u>\$ 100,119,334</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Construction Fund	District Activity Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 119,251,520	\$ -	\$ -	\$ -	\$ 26,687,463	\$ 145,938,983
Earnings on investments	104,319	-	13,735	561	68	118,683
State sources	104,254,674	5,523,002	-	-	3,573,406	113,351,082
Federal sources	964,815	16,205,769	-	-	414,972	17,585,556
Other sources	853,605	1,027,943	(136,414)	43,165	6,321,762	8,110,061
	<u>225,428,933</u>	<u>22,756,714</u>	<u>(122,679)</u>	<u>43,726</u>	<u>36,997,671</u>	<u>285,104,365</u>
Total revenues						
Expenditures						
Instructional	131,731,635	15,509,691	-	1,416,525	5,636,950	154,294,801
Student support services	15,186,517	1,739,672	-	4,608	288,581	17,219,378
Staff support services	9,050,535	1,247,866	-	111,368	642,923	11,052,692
District administration	7,429,217	53,200	-	-	-	7,482,417
School administration	15,772,136	-	-	83,129	442,097	16,297,362
Business support services	5,845,583	338,331	-	-	-	6,183,914
Plant operation and maintenance	19,290,900	89,804	14,627,847	101,698	835,526	34,945,775
Student transportation	14,732,089	2,399,463	-	-	1,047	17,132,599
Central office	-	-	-	-	31,772	31,772
Food service operation	-	154,078.00	-	-	-	154,078
Day care operations	-	14,117.00	-	-	-	14,117
Community service operations	493,457	1,165,011.00	-	-	19,682	1,678,150
Facility acquisition and construction	6,850	-	4,348,939	-	-	4,355,789
Other	-	-	2,263,695	-	-	2,263,695
Debt service:						
Principal	-	-	-	-	16,858,660	16,858,660
Interest	-	-	-	-	5,873,591	5,873,591
	<u>219,538,919</u>	<u>22,711,233</u>	<u>21,240,481</u>	<u>1,717,328</u>	<u>30,630,829</u>	<u>295,838,790</u>
Total expenditures						
Excess (deficit) of revenues over expenditures	<u>5,890,014</u>	<u>45,481</u>	<u>(21,363,160)</u>	<u>(1,673,602)</u>	<u>6,366,842</u>	<u>(10,734,425)</u>
Other financing sources (uses)						
Loan and bond proceeds	-	-	18,675,000	-	-	18,675,000
Proceeds from sale of assets	57,468	-	-	-	-	57,468
Other items	-	-	-	-	-	-
Operating transfers in	750,654	554,000	1,055,961	1,660,183	24,260,824	28,281,622
Operating transfers out	(3,959,481)	(680,516)	-	-	(23,021,282)	(27,661,279)
	<u>(3,151,359)</u>	<u>(126,516)</u>	<u>19,730,961</u>	<u>1,660,183</u>	<u>1,239,542</u>	<u>19,352,811</u>
Total other financing sources (uses)						
Net change in fund balance	2,738,655	(81,035)	(1,632,199)	(13,419)	7,606,384	8,618,386
Fund balance, July 1, 2021	51,521,292	177,212	26,755,834	1,089,556	2,655,578	82,199,472
Fund balance, June 30, 2022	<u>\$ 54,259,947</u>	<u>\$ 96,177</u>	<u>\$ 25,123,635</u>	<u>\$ 1,076,137</u>	<u>\$ 10,261,962</u>	<u>\$ 90,817,858</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022**

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

Net changes-governmental funds	\$	8,618,386
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(15,438,493)	
Capital outlays	30,299,554	
Retirement of capital assets	<u>(5,258)</u>	
		14,855,803
<p>Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Bond principal paid		16,858,660
Bond proceeds		(18,675,000)
Deferred outflow from bond refinancing		-
Amortization of bond refinancing		(246,367)
Amortization of bond premium		32,973
Capital lease principal paid		-
New capital leases		-
Deferred outflows related to pensions		(6,403,310)
Deferred outflows related to other post-retirement employee benefits		4,590,442
Deferred inflows related to pensions		(11,766,625)
Deferred inflows related to other post-retirement employee benefits		(13,493,667)
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
		<u>26,994,218</u>
Changes in net position of governmental activities	\$	<u>21,365,513</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Net Position
– Proprietary Funds
As of June 30, 2022**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents	\$ 6,141,762	\$ -	\$ 6,141,762
Interfund receivable	(950,630)		(950,630)
Accounts receivable	1,130,146	-	1,130,146
Inventories for consumption	133,305	-	133,305
Total current	<u>6,454,583</u>	<u>-</u>	<u>6,454,583</u>
Noncurrent			
Buildings and Improvements	76,617		76,617
Furniture and Fixtures	5,267,885	-	5,267,885
Less: accumulated depreciation	(4,691,943)		(4,691,943)
Total noncurrent	<u>652,559</u>	<u>-</u>	<u>652,559</u>
Total assets	<u>7,107,142</u>	<u>-</u>	<u>7,107,142</u>
Deferred outflows	<u>1,112,559</u>	<u>30,696</u>	<u>1,143,255</u>
Liabilities and Net Position			
Liabilities			
Current			
Accounts payable	-	-	-
Interfund payable	-	3,815	3,815
Total current	<u>-</u>	<u>3,815</u>	<u>3,815</u>
Noncurrent			
MIF net OPEB liability	1,445,919	39,893	1,485,812
CERS net pension liability	1,809,954	49,937	1,859,891
Accumulated sick leave	62,888	1,735	64,623
Total noncurrent	<u>3,318,761</u>	<u>91,565</u>	<u>3,410,326</u>
Total liabilities	<u>3,318,761</u>	<u>95,380</u>	<u>3,414,141</u>
Deferred inflows	<u>1,251,697</u>	<u>34,535</u>	<u>1,286,232</u>
Net Position			
Invested in assets, net of debt	652,559	-	652,559
Restricted	2,996,684	(104,901)	2,891,783
Unrestricted	-	5,682	5,682
Total net position	<u>\$ 3,649,243</u>	<u>\$ (99,219)</u>	<u>\$ 3,550,024</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2022**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Operating revenues			
Lunchroom sales	\$ 801,292	\$ -	\$ 801,292
Other operating revenues	<u>59,915.00</u>	<u>125,312</u>	<u>185,227</u>
Total operating revenues	<u>861,207</u>	<u>125,312</u>	<u>986,519</u>
Operating expenses			
Salaries and benefits	5,830,663	157,650	5,988,313
Contract services	186,054	179	186,233
Materials and supplies	5,037,123	-	5,037,123
Depreciation	128,298	-	128,298
Other operating expenses	<u>817.00</u>	<u>25</u>	<u>842</u>
Total operating expenses	<u>11,182,955</u>	<u>157,854</u>	<u>11,340,809</u>
Operating loss	<u>(10,321,748)</u>	<u>(32,542)</u>	<u>(10,354,290)</u>
Nonoperating revenues (expenses)			
Federal grants	12,942,588	-	12,942,588
State grants	1,420,697	30,702	1,451,399
Donated commodities and other donations	962,337	-	962,337
Transfers out	(620,343)	-	(620,343)
Interest income	<u>9,419</u>	<u></u>	<u>9,419</u>
Total nonoperating revenues	<u>14,714,698</u>	<u>30,702</u>	<u>14,745,400</u>
Change in net position	4,392,950	(1,840)	4,391,110
Total net position, July 1, 2021	<u>(743,707)</u>	<u>(97,379)</u>	<u>(841,086)</u>
Total net position, June 30, 2022	<u>\$ 3,649,243</u>	<u>\$ (99,219)</u>	<u>\$ 3,550,024</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2022**

	<u>Food Service Fund</u>	<u>Daycare Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from lunchroom sales	\$ 801,292	\$ -	\$ 801,292
Cash received from other activities	(1,168,964)	106,200	(1,062,764)
Cash payments to employees for services	(5,830,663)	(157,650)	(5,988,313)
Cash payments to suppliers for goods and services	(3,920,285)	(336)	(3,920,621)
Cash transfers	<u>(620,343)</u>	<u>-</u>	<u>(620,343)</u>
Net cash used in operating activities	<u>(10,738,963)</u>	<u>(51,786)</u>	<u>(10,790,749)</u>
Cash flows from noncapital financing activities			
Non-operating revenues received	<u>15,325,622</u>	<u>30,702</u>	<u>15,356,324</u>
Net cash provided by noncapital financing activities	<u>15,325,622</u>	<u>30,702</u>	<u>15,356,324</u>
Cash flows from investing activities			
Interest on investments	<u>9,419</u>	<u>-</u>	<u>9,419</u>
Net cash flows provided by investing activities	<u>9,419</u>	<u>-</u>	<u>9,419</u>
Net increase (decrease) in cash and cash equivalents	4,596,078	(21,084)	4,574,994
Cash and cash equivalents - beginning	<u>1,545,684</u>	<u>21,084</u>	<u>1,566,768</u>
Cash and cash equivalents - ending	<u>\$ 6,141,762</u>	<u>\$ -</u>	<u>\$ 6,141,762</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (10,321,748)	\$ (32,542)	\$ (10,354,290)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	128,298	-	128,298
Transfers	(620,343)	-	(620,343)
Changes in assets and liabilities:			
Decrease in accounts receivable	395,354	-	395,354
(Decrease) increase in accounts payable	-	-	-
(Decrease) in accumulated sick leave	(5,911)	(132)	(6,043)
Decrease in interfund receivables	950,630	-	950,630
Decrease in due to other funds	(1,245,399)	(21,084)	(1,266,483)
Decrease in deferred outflows	38,442	546	38,988
Decrease in deferred inflows	628,886	17,629	646,515
(Decrease) in MIF net OPEB liability	(281,081)	(6,980)	(288,061)
Decrease in CERS net pension liability	(369,727)	(9,223)	(378,950)
Increase in inventories	<u>(36,364)</u>	<u>-</u>	<u>(36,364)</u>
Net cash used in operating activities	<u>\$ (10,738,963)</u>	<u>\$ (51,786)</u>	<u>\$ (10,790,749)</u>
Schedule of non-cash transactions:			
Donated commodities received from federal government	<u>\$ 962,337</u>	<u>\$ -</u>	<u>\$ 962,337</u>
On behalf payments	<u>\$ 1,328,070</u>	<u>\$ -</u>	<u>\$ 1,328,070</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Boone County Board of Education (Board), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Boone County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

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

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

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

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

Basis of Presentation

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

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

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

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

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (continued)

- (D) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
 2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$25,123,635 for ongoing projects.
- (E) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

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

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

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

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

Taxes

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Accumulated Unpaid Sick Leave Benefits

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

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

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

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

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

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

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

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

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

Net Position

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

Operating Revenues and Expenses

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

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

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Land	\$ 13,720,372	\$ -	\$ -	\$ 13,720,372
Land improvements	15,049,976	7,027,953	-	22,077,929
Buildings and improvements	446,233,020	36,674,323	-	482,907,343
Technology equipment	11,139,296	46,296	99,638	11,085,954
Vehicles	29,070,521	1,177,621	21,232	30,226,910
General equipment	6,005,954	181,375	17,204	6,170,125
Construction work in progress	28,828,189	28,505,059	43,313,073	14,020,175
Totals at historical cost	<u>550,047,328</u>	<u>73,612,627</u>	<u>43,451,147</u>	<u>580,208,808</u>
Less: accumulated depreciation				
Land improvements	5,033,216	205,327	-	5,238,543
Buildings and improvements	177,948,498	13,148,854	-	191,097,352
Technology equipment	10,977,259	116,206	99,048	10,994,417
Vehicles	19,734,976	1,694,587	21,232	21,408,331
General equipment	4,512,572	273,519	12,536	4,773,555
Total accumulated depreciation	<u>218,206,521</u>	<u>15,438,493</u>	<u>132,816</u>	<u>233,512,198</u>
Governmental activities capital assets - net	<u>\$ 331,840,807</u>	<u>\$ 58,174,134</u>	<u>\$ 43,318,331</u>	<u>\$ 346,696,610</u>
<u>Business - Type Activities</u>				
General equipment	\$ 4,565,407	\$ -	\$ 29,195	\$ 4,536,212
Buildings and improvements	76,617	-	-	76,617
Vehicles	59,800	-	-	59,800
Technology equipment	672,412	-	539	671,873
Totals at historical cost	<u>5,374,236</u>	<u>-</u>	<u>29,734</u>	<u>5,344,502</u>
Less: accumulated depreciation				
General equipment	3,798,454	121,297	29,195	3,890,556
Buildings and improvements	65,586	5,277	-	70,863
Vehicles	59,800	-	-	59,800
Technology equipment	669,539	1,724	539	670,724
Total accumulated depreciation	<u>4,593,379</u>	<u>128,298</u>	<u>29,734</u>	<u>4,691,943</u>
Business - type activities capital assets - net	<u>\$ 780,857</u>	<u>\$ (128,298)</u>	<u>\$ -</u>	<u>\$ 652,559</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2022 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 5,135,078	\$ -
Student support services	22,020	-
Staff support services	8,187	-
District administration	-	-
School administration	18,191	-
Business support services	160,559	-
Plant operation and maintenance	8,383,816	-
Food service	-	128,298
Student transportation	1,710,492	-
Community services	150	-
Total	<u>\$ 15,438,493</u>	<u>\$ 128,298</u>

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2022 this amount totaled approximately \$2,954,721 for those employees with twenty-seven or more years of experience.

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>
June 1, 2010	\$ 11,085,000	5.750%
February 1, 2012	27,700,000	2.000% - 2.750%
September 1, 2012	12,170,000	2.000% - 2.625%
March 1, 2013	5,975,000	2.000% - 3.250%
September 1, 2014	11,905,000	2.000% - 3.000%
March 1, 2015	12,375,000	2.000% - 3.000%
February 1, 2016	32,425,000	0.850% - 2.550%
April 1, 2016	10,120,000	1.000% - 3.250%
November 1, 2016	31,850,000	2.000% - 3.250%
February 1, 2017	10,150,000	3.000%
December 1, 2017	12,765,000	2.000% - 3.000%
August 1, 2018	13,490,000	3.000% - 3.625%
April 28, 2020	33,340,000	2.000% - 3.000%
March 18, 2021	9,705,000	2.000%
April 12, 2022	18,675,000	3.000% - 3.125%

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

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 18 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2022 for debt service (principal and interest) are reported in Note 17.

NOTE 7 RETIREMENT PLANS

The District's employees are provided with two pension plans, based on each position's college degree requirement. The County Employees Retirement System ("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.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Contributions

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

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

The contribution requirement for CERS for the year ended June 30, 2022, was \$10,219,551, which consisted of \$8,455,606 from the District and \$1,763,945 from the employees. Total contributions for the year ended June 30, 2021 and 2020 were \$8,904,887 and \$8,979,757, respectively. The contributions have been contributed in full for fiscal years 2022, 2021 and 2020.

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

Plan description

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

Benefits provided

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

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

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

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided

Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date. Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2022, was \$18,186,705, which consisted of \$3,985,556 from the District and \$14,201,149 from the employees. Total contributions for the year ended June 30, 2021 and 2020 were \$16,982,979 and \$16,710,770, respectively. The contributions have been contributed in full for fiscal years 2022, 2021 and 2020.

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

Medical Insurance Plan

Plan description

In addition to the pension benefits described above, KRS 161.675 requires TRS to provide post-employment healthcare benefits to eligible employees and dependents. The TRS Medical Insurance Fund (MIF) is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Funding policy

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

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 74,965,134
Commonwealth's proportionate share of the TRS net pension liability associated with the District	<u>426,121,417</u>
	<u>\$ 501,086,551</u>

The net pension liability for each plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2021, the District's proportion was 1.175779% percent.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$3,695,574 related to CERS. The District also recognized a reduction of expense of \$100,397,142 and a reduction of revenue of \$100,397,142 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 860,830	\$ 727,587
Net difference between projected and actual earnings on pension plan investments	2,908,148	12,899,743
Changes of assumptions	1,006,122	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,065,286	197,370
District contributions subsequent to the measurement date	<u>8,455,606</u>	<u>-</u>
Total	<u>\$ 16,295,992</u>	<u>\$ 13,824,700</u>

\$8,455,606 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$ 1,516,139
2024	(2,117,805)
2025	(2,253,798)
2026	(3,128,850)
2027	-

Actuarial assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>TRS</u>
Inflation	2.30%	3.00%
Projected salary increases	3.30%	3.5 - 7.3%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020. Adopted by the board on September 20, 2021.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>TRS Target Allocation</u>	<u>TRS Long-Term Expected Real Rate of Return</u>	<u>CERS Target Allocation</u>	<u>CERS Long-Term Expected Real Rate of Return</u>
US equity	40.0%	4.20%	21.8%	5.70%
International Equity	22.0%	22.00%	21.8%	6.35%
Core bonds			10.0%	0.00%
Private equity	7.0%	6.90%	10.0%	9.70%
High yield	2.0%	1.70%	15.0%	2.80%
Fixed income	15.0%	-0.10%		
Additional categories	5.0%	2.20%		
Real estate	7.0%	4.00%	10.0%	5.40%
Opportunistic			0.0%	N/A
Real return			10.0%	4.55%
Cash	2.0%	-0.30%	1.5%	-0.60%
Total	<u>100%</u>		<u>100%</u>	

Discount rate

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 96,146,340	\$ 74,965,134	\$ 57,438,183
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 8 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

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

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

Medical Insurance Plan

Plan description

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

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

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

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

Plan description

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

Benefits

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

Contributions

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

At June 30, 2022, the Boone County School District reported a liability of \$59,887,436 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 1.74% percent for TRS, which was an increase of 0.02% from its proportion measured as of June 30, 2020, and 1.18% percent for CERS for both June 30, 2021 and 2020.

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

District's proportionate share of the CERS net OPEB liability	\$ 22,504,436
District's proportionate share of the TRS net OPEB liability	37,383,000
State's proportionate share of the net OPEB liability associated with the District	<u>30,360,000</u>
	<u>\$ 90,247,436</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,808,958 and revenue of \$2,511,467 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual performance	\$ 3,538,829	\$ 28,949,076
Net difference between projected and actual earnings on OPEB plan investments	1,133,840	8,642,346
Change of assumptions	15,743,354	20,926
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,846,247	406,041
District contributions subsequent to the measurement date	<u>4,522,013</u>	<u>-</u>
Total	<u>\$ 29,784,283</u>	<u>\$ 38,018,389</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$4,522,013 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2023	\$ (2,347,916)
2024	(2,904,416)
2025	(2,786,661)
2026	(4,321,126)
2027	(539,000)
Thereafter	143,000

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.50 - 7.20%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	2.5%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	7.00% for FY 2021 decreasing to an ultimate rate of 4.50% by FY 2031	Initial trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Ages 65 and Older	5.00% for FY 2021 decreasing to an ultimate rate of 4.50% by FY 2024	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Medicare Part B Premiums	4.40% for FY 2021 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	2.13%	1.92%
Discount Rate	7.10%	5.20%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including PRICE inflation	

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

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation.

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Other Additional Categories	17.0%	3.9%
Cash (LIBOR)	1.0%	-0.3%
Total	<u>100.0%</u>	

Discount rate

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

For CERS, the discount rate used to measure the total OPEB liability was 5.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

	<u>1% Decrease</u> (6.10%)	<u>Current Discount</u> <u>Rate (7.10%)</u>	<u>1% Increase</u> (8.10%)
TRS			
Districts' net OPEB liability	\$ 47,860,000	\$ 37,383,000	\$ 28,721,000
	<u>1% Decrease</u> (4.20%)	<u>Current Discount</u> <u>Rate (5.20%)</u>	<u>1% Increase</u> (6.20%)
CERS			
Districts' net OPEB liability	\$ 30,898,421	\$ 22,504,436	\$ 15,615,780

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

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
TRS			
Districts' net OPEB liability	\$ 27,159,000	\$ 37,383,000	\$ 50,108,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 16,200,519	\$ 22,504,436	\$ 30,113,362

OPEB plan fiduciary net position

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

Life Insurance Plan

Plan description

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

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

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

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

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>404,000</u>
	<u>\$ 404,000</u>

For the year ended June 30, 2022, the District recognized OPEB expense of \$-0- and revenue of \$61,849 for support provided by the State.

Actuarial assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including wage inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	2.13%
Discount Rate	7.50%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	4.4%
International Equity	23.0%	5.6%
Fixed Income	18.0%	-0.1%
Real Estate	6.0%	4.0%
Private Equity	5.0%	6.9%
Other Additional Categories	6.0%	2.1%
Cash (LIBOR)	2.0%	-0.3%
Total	<u>100.0%</u>	

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

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

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.10%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
Districts' net OPEB liability	\$ -	\$ -	\$ -

OPEB plan fiduciary net position

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

NOTE 9 CONTINGENCIES

Grant Fund Approval

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

NOTE 10 INSURANCE AND RELATED ACTIVITIES

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 DEFICIT OPERATING/FUND BALANCES

The District's Day Care Fund currently has a deficit fund balances of \$99,219. However, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Day Care Fund	\$	1,840
Boone County High School		25,725
Camp Ernst Middle School		18,423
District Activity Fund		13,419
Construction Fund		1,632,199
Special Revenue Fund		81,035
New Haven Elementary		27,355
Erpenbeck Elementary		17,573
Collins Elementary		2,101
Stephens Elementary		1,231
Shirley Mann Elementary		3,541

NOTE 13 COBRA

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

NOTE 14 CONTINGENT LIABILITY

The District was a participant in the Kentucky School Board Insurance Trust (KSBIT) in which the District purchases general liability and workers' compensation insurance. As of June 30, 2022, the District has paid this liability in full.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 15 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Special Revenue Fund	General Fund	Indirect Cost	\$ 103,891
Building Fund	General Fund	Construction	26,420
Food Service Fund	General Fund	Indirect Costs	620,343
General Fund	Special Revenue Fund	KETS	554,000
General Fund	District Activity Fund	Free/Reduced Subsidy	368,815
School Activity Fund	District Activity Fund	DAF Transfer	1,286,851
General Fund	Ignite Institute Fund	Support	2,484,355
General Fund	School Activity Fund	Schools Athletic Subsidy	62,000
General Fund	Construction Fund	Construction	490,311
Special Revenue Fund	Construction Fund	Construction	576,625
Capital Outlay Fund	Construction Fund	Construction	112,593
Building Fund	Debt Service	Debt Service	21,590,901
Ignite Institute Fund	District Activity Fund	Ignite Transfer	4,517

NOTE 16 ON-BEHALF PAYMENTS

For the year ended June 30, 2022 total payments of \$59,386,235 were made for life insurance, health insurance, KTRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	\$ 56,380,678
Debt Service	729,989
Day Care	30,702
Food Service	1,328,070
Ignite Institute	<u>916,796</u>
Total On-Behalf	<u>\$ 59,386,235</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 17 SCHEDULE OF LONG-TERM OBLIGATIONS

2010 QSCB, 2012, 2012 B -Ref, 2013, 2014-Ref, 2015-Ref, 2016, 2016-Ref, 2016B, 2017R, 2017B Ref,
2018, 2020, 2021, 2022

FISCAL YEAR	BOONE COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2022-2023	\$ 16,837,947	\$ 5,866,282	\$ 22,704,229	\$ 605,713	\$ 172,215	\$ 777,928	\$ 23,482,157
2023-2024	17,252,242	5,471,056	22,723,298	621,418	156,509	777,927	23,501,225
2024-2025	16,175,902	4,985,670	21,161,572	482,758	139,470	622,228	21,783,800
2025-2026	16,622,420	4,532,374	21,154,794	496,240	125,989	622,229	21,777,023
2026-2027	15,642,367	4,088,687	19,731,054	486,293	112,370	598,663	20,329,717
2027-2028	11,142,949	3,032,740	14,175,689	447,051	99,345	546,396	14,722,085
2028-2029	11,420,169	2,741,816	14,161,985	459,831	86,567	546,398	14,708,382
2029-2030	10,592,022	2,438,654	13,030,676	407,978	73,235	481,213	13,511,888
2030-2031	10,875,034	2,156,239	13,031,273	419,966	61,246	481,212	13,512,485
2031-2032	7,448,974	1,862,476	9,311,450	246,026	48,824	294,850	9,606,300
2032-2033	7,681,602	1,642,871	9,324,473	253,398	41,451	294,849	9,619,321
2033-2034	7,420,131	1,410,821	8,830,952	189,869	33,649	223,518	9,054,469
2034-2035	7,649,279	1,182,210	8,831,489	195,721	27,797	223,518	9,055,007
2035-2036	7,903,119	940,204	8,843,323	201,881	21,637	223,518	9,066,841
2036-2037	7,303,550	686,864	7,990,414	186,450	15,579	202,029	8,192,443
2037-2038	4,840,212	496,949	5,337,161	89,788	11,351	101,139	5,438,300
2038-2039	5,007,466	342,285	5,349,751	92,534	8,606	101,140	5,450,891
2039-2040	3,954,638	204,573	4,159,211	95,362	5,777	101,139	4,260,350
2040-2041	1,329,922	84,326	1,414,248	45,078	2,861	47,939	1,462,188
2041-2042	1,368,513	42,766	1,411,279	46,487	1,453	47,940	1,459,219
Various*	2,862,778	-	2,862,778	-	-	-	2,862,778
	<u>\$ 191,331,236</u>	<u>\$ 44,209,863</u>	<u>\$ 235,541,099</u>	<u>\$ 6,069,842</u>	<u>\$ 1,245,930</u>	<u>\$ 7,315,772</u>	<u>\$ 242,856,871</u>

*Expected interest income to be earned on qualified school construction bond escrow account

A summary of the changes in the principal of the outstanding bond obligations, the bond premium and the sick leave liability for the District during the year ended June 30, 2022 is as follows:

Governmental Activities	Balance	Additions	Payments	Balance
	July 1, 2021			June 30, 2022
Bond Obligations	<u>\$ 195,584,738</u>	<u>\$ 18,675,000</u>	<u>\$ 16,858,660</u>	<u>\$ 197,401,078</u>
Bond premium	<u>\$ 321,485</u>	<u>\$ -</u>	<u>\$ 32,973</u>	<u>\$ 288,512</u>
Sick Leave	<u>\$ 2,795,840</u>	<u>\$ 822,071</u>	<u>\$ 663,190</u>	<u>\$ 2,954,721</u>

NOTE 18 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2021, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement no. 87, *Leases*, as it relates to accounting and financial reporting for leases. Under this Statement, a single model for lease accounting is established based on the foundational principle that leases are financings of the right to use an underlying asset. Leases are recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. There was no material impact on the financial statements as a result of this change in accounting principle.

NOTE 19 SUBSEQUENT EVENTS

Subsequent events were considered through December 14, 2022, which represents the release date of our report.

SUPPLEMENTARY
INFORMATION

BOONE COUNTY SCHOOL DISTRICT

**Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2022**

	<u>Capital Outlay Fund</u>	<u>Building Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Ignite Institute</u>	<u>Total Non-major Governmental Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ 1,814,028	\$ 5,070,142	\$ 440,791	\$ 2,167,639	\$ 288,362	\$ 9,780,962
Accounts receivable	-	-	-	-	481,000	481,000
Total assets	<u>\$ 1,814,028</u>	<u>\$ 5,070,142</u>	<u>\$ 440,791</u>	<u>\$ 2,167,639</u>	<u>\$ 769,362</u>	<u>\$ 10,261,962</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Capital projects fund	1,814,028	5,070,142	-	-	-	6,884,170
Debt service fund	-	-	440,791	-	-	440,791
Other	-	-	-	2,167,639	-	2,167,639
Assigned	-	-	-	-	80,000	80,000
Unassigned	-	-	-	-	689,362	689,362
Total fund balances	<u>1,814,028</u>	<u>5,070,142</u>	<u>440,791</u>	<u>2,167,639</u>	<u>769,362</u>	<u>10,261,962</u>
Total liabilities and fund balances	<u>\$ 1,814,028</u>	<u>\$ 5,070,142</u>	<u>\$ 440,791</u>	<u>\$ 2,167,639</u>	<u>\$ 769,362</u>	<u>\$ 10,261,962</u>

BOONE COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2022**

	Capital Outlay Fund	Building Fund	Debt Service Fund	School Activity Fund	Ignite Institute	Total Nonmajor Government Funds
Revenues:						
Taxes	\$ -	\$ 26,687,463	\$ -	\$ -	\$ -	\$ 26,687,463
Earnings on investments	-	-	68	-	-	68
State sources	1,926,621	-	729,989	-	916,796	3,573,406
Federal sources	-	-	414,972	-	-	414,972
Other sources	-	-	-	5,005,574	1,316,188	6,321,762
Total revenues	1,926,621	26,687,463	1,145,029	5,005,574	2,232,984	36,997,671
Expenditures:						
Instructional	-	-	-	2,869,344	2,767,606	5,636,950
Student support services	-	-	-	57,773	230,808	288,581
Staff support services	-	-	-	511,826	131,097	642,923
School administration	-	-	-	145,152	296,945	442,097
Plant operation and maintenance	-	-	-	-	835,526	835,526
Student transportation	-	-	-	1,047	-	1,047
Central office	-	-	-	31,772	-	31,772
Community service operations	-	-	-	19,682	-	19,682
Debt service:						
Principal	-	-	16,858,660	-	-	16,858,660
Interest	-	-	5,873,591	-	-	5,873,591
Total expenditures	-	-	22,732,251	3,636,596	4,261,982	30,630,829
Excess (deficit) of revenues over expenditures	1,926,621	26,687,463	(21,587,222)	1,368,978	(2,028,998)	6,366,842
Other Financing Sources (Uses)						
Operating transfers in	-	-	21,714,469	62,000	2,484,355	24,260,824
Operating transfers out	(112,593)	(21,617,321)	-	(1,286,851)	(4,517)	(23,021,282)
Total other financing sources(uses)	(112,593)	(21,617,321)	21,714,469	(1,224,851)	2,479,838	1,239,542
Net change in fund balance	1,814,028	5,070,142	127,247	144,127	450,840	7,606,384
Fund balance, July 1, 2021	-	-	313,544	2,023,512	318,522	2,655,578
Fund balance, June 30, 2022	<u>\$ 1,814,028</u>	<u>\$ 5,070,142</u>	<u>\$ 440,791</u>	<u>\$ 2,167,639</u>	<u>\$ 769,362</u>	<u>\$ 10,261,962</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual – General Fund
Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 111,100,911	\$ 111,100,911	\$ 119,251,520	\$ 8,150,609
Earnings on investments	100,000	100,000	104,319	4,319
State sources	100,500,000	101,747,181	104,254,674	2,507,493
Federal sources	1,000,000	1,000,000	964,815	(35,185)
Other sources	2,645,800	2,684,406	1,661,727	(1,022,679)
Total revenues	<u>215,346,711</u>	<u>216,632,498</u>	<u>226,237,055</u>	<u>9,604,557</u>
Expenditures				
Instructional	156,950,158	154,731,755	131,731,635	23,000,120
Student support services	11,322,959	11,211,100	15,186,517	(3,975,417)
Staff support services	7,189,219	7,135,462	9,050,535	(1,915,073)
District administration	6,702,640	6,723,834	7,429,217	(705,383)
School administration	11,982,688	12,397,149	15,772,136	(3,374,987)
Business support services	4,806,875	4,790,995	5,845,583	(1,054,588)
Plant operation and maintenance	18,579,625	19,487,822	19,290,900	196,922
Student transportation	16,763,266	17,760,141	14,732,089	3,028,052
Community service operations	28,190	28,190	493,457	(465,267)
Facility acquisition and construction	74,772	74,772	6,850	67,922
Other	12,946,319	14,291,278	3,959,481	10,331,797
Total expenditures	<u>247,346,711</u>	<u>248,632,498</u>	<u>223,498,400</u>	<u>25,134,098</u>
Net change in fund balance	(32,000,000)	(32,000,000)	2,738,655	34,738,655
Fund balance, July 1, 2021	<u>32,000,000</u>	<u>32,000,000</u>	<u>51,521,292</u>	<u>19,521,292</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,259,947</u>	<u>\$ 54,259,947</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	\$ 910,842	\$ 5,189,359	\$ 5,523,002	\$ 333,643
Federal sources	300,000	11,104,443	16,205,769	5,101,326
Other sources	<u>554,000</u>	<u>804,755</u>	<u>1,581,943</u>	<u>777,188</u>
Total revenues	<u>1,764,842</u>	<u>17,098,557</u>	<u>23,310,714</u>	<u>6,212,157</u>
Expenditures				
Instructional	554,000	9,864,506	15,509,691	(5,645,185)
Student support services	72,470	816,938	1,739,672	(922,734)
Staff support services	-	1,568,366	1,247,866	320,500
District administration	-	-	53,200	(53,200)
Business support services	-	235,543	338,331	(102,788)
Plant operation and maintenance	-	1,352,119	89,804	1,262,315
Student transportation	-	1,806,409	2,399,463	(593,054)
Food service operation	-	-	154,078	(154,078)
Day care operations	-	-	14,117	(14,117)
Community service operations	1,138,372	1,434,846	1,165,011	269,835
Other	<u>-</u>	<u>38,606</u>	<u>680,516</u>	<u>(641,910)</u>
Total expenditures	<u>1,764,842</u>	<u>17,117,333</u>	<u>23,391,749</u>	<u>(6,274,416)</u>
Net change in fund balance	-	(18,776)	(81,035)	(62,259)
Fund balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>177,212</u>	<u>177,212</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ (18,776)</u>	<u>\$ 96,177</u>	<u>\$ 114,953</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Earnings on investments	\$ -	\$ -	\$ 13,735	\$ 13,735
Other sources	-	3,362,964	19,594,547	16,231,583
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	3,362,964	19,608,282	16,245,318
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Plant operation and maintenance	-	-	14,627,847	14,627,847
Facility acquisition and construction	-	6,023,030	4,348,939	(1,674,091)
Other	-	(510,488)	2,263,695	2,774,183
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	5,512,542	21,240,481	1,100,092
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	(2,149,578)	(1,632,199)	517,379
Fund balance, July 1, 2021	-	(26,755,830)	26,755,834	53,511,664
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, June 30, 2022	\$ -	\$ (28,905,408)	\$ 25,123,635	\$ 54,029,043
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – District Activity Fund
Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ -	\$ -	\$ 561	\$ 561
Other sources	-	-	1,703,348	1,703,348
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	1,703,909	1,703,909
Expenditures				
Instructional	-	-	1,416,525	1,416,525
Student support services	-	-	4,608	4,608
Staff support services	-	-	111,368	111,368
School administration	-	-	83,129	83,129
Plant operation and maintenance	-	-	101,698	101,698
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	1,717,328	1,717,328
Net change in fund balance	-	-	(13,419)	(13,419)
Fund balance, July 1, 2021	-	-	1,089,556	1,089,556
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, June 30, 2022	\$ -	\$ -	\$ 1,076,137	\$ 1,076,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2022**

	<u>Issue of 2010 - QCSB</u>	<u>Issue of 2010B - Ref</u>	<u>Issue of 2012 - Ref</u>	<u>Issue of 2012B - Ref</u>	<u>Issue of 2013</u>	<u>Issue of 2014 - Ref</u>	<u>Issue of 2015 - Ref</u>	<u>Issue of 2016</u>
Cash at July 1, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,121,048	4,556,250	4,199,975	1,784,175	287,513	1,604,350	1,074,425	464,813
Disbursements:								
Bonds paid	483,660	4,500,000	3,875,000	1,640,000	135,000	1,360,000	815,000	185,000
Interest coupons	637,388	56,250	324,975	144,175	152,513	244,350	259,425	279,813
Total disbursements	1,121,048	4,556,250	4,199,975	1,784,175	287,513	1,604,350	1,074,425	464,813
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2022	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Issue of 2016 - Ref</u>	<u>Issue of 2016B</u>	<u>Issue of 2017R</u>	<u>Issue of 2017B Ref</u>	<u>Issue of 2018</u>	<u>Issue of 2020</u>	<u>Issue of 2021</u>	<u>Total</u>
Cash at July 1, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	2,185,350	1,525,625	935,550	998,850	603,443	1,139,775	251,109	22,732,251
Disbursements:								
Bonds paid	1,370,000	690,000	675,000	630,000	170,000	280,000	50,000	16,858,660
Interest coupons	815,350	835,625	260,550	368,850	433,443	859,775	201,109	5,873,591
Total disbursements	2,185,350	1,525,625	935,550	998,850	603,443	1,139,775	251,109	22,248,592
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2022	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Abbey Zimmer Scholarship	\$ 9,304	\$ 3,050	\$ 3,000	\$ 9,354
Academic team	76	274	350	-
Advanced Placement	4,401	4,864	7,040	2,225
Agendas	5	1,997	2,002	-
Archery	1,899	11,500	11,633	1,766
Art Club	241	-	80	160
Art Department	-	671	671	-
Athletic Concessions	2,373	26,303	25,580	3,096
Athletic Fees	8,151	4,122	4,720	7,553
Athletics	20,487	126,985	122,068	25,404
Background check	10	430	440	-
Backpack Food Program	597	2,760	1,779	1,578
Band trip	477	539	830	185
Baseball	13,619	8,626	12,771	9,474
Basketball - Boys	6,872	8,427	10,875	4,423
Basketball - Girls	7,611	9,186	15,570	1,227
BCHSKYA	31	-	-	31
Bowling Team	6,031	470	1,988	4,513
Broadway Art Scholarship	1,697	42,380	41,872	2,205
Charitable Gaming Holding	-	284	200	84
Cheerleaders - JV & Varsity	5,316	53,239	55,140	3,415
Chick Fila Leaders	268	-	-	268
Choral Music	1,595	8,386	9,586	395
Citigroup Scholarship	8,083	11,265	13,457	5,890
Class of 1955 scholarship	20	2,000	2,000	20
Conservation Grant	115	-	-	115
Cross Country - Boys	732	330	690	372
Cross Country - Girls	342	2,118	1,467	992
Dance Team	37	245	-	282
Digital Arts	-	691	671	20
Dr. Edward P & Mary	778	17,686	18,000	464
English department	45	-	-	45
Family and Consumer Science	186	595	355	426
FASFF	88	557	163	482
FBLA	-	2,521	2,521	-
FCA	16	-	-	16
FCCLA	159	345	225	279
Fine Arts Department	-	773	773	-
Florence Womens' Club	-	1,000	1,000	-
Football	-	27,722	27,722	-
Forensic Team	302	3,724	3,467	559
French Club	6	-	-	6
General	1,050	660	892	817
General Fees	-	39,324	39,324	-
German Club	233	-	233	-
German National Honor	22	-	22	-

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund (Continued)
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Golf - Boys	\$ 107	\$ 1,634	\$ 566	\$ 1,175
Golf - Girls	1,110	400	260	1,250
Grace Kelly Girls Club	261	-	-	261
Guidance Department	4,418	15	2,075	2,358
Harry Potter Club	0	-	0	-
JR SR Class	6,748	23,676	27,246	3,177
Library	19	35	-	54
Logan's Heroes	1,083	-	237	846
Marching Band	7,273	9,200	7,722	8,751
Men of Boone	250	-	-	250
Music Honor Society	146	706	367	485
Nancy Lambers Bresser	-	250	250	-
National Honor Society	-	539	405	134
Newspaper	937	396	643	689
Parking	-	2,640	2,640	-
Pep Club	145	-	-	145
Photography Club	60	-	-	60
Physical Education Department	24	-	-	24
Rebels for a Cause	1,085	-	-	1,085
Science Department	1,529	4,875	4,875	1,529
Service Learning	2	-	-	2
Soccer - Boys	2,457	10,437	9,852	3,042
Soccer - Girls	6,039	9,811	14,816	1,034
Softball	5,498	5,796	5,330	5,964
Spanish Club	30	-	-	30
Special Ed Department	640	-	405	235
Spiri-Demic Store	-	6,230	6,230	-
Spotlighters	2,987	300	33	3,254
Spring Musical	-	348	-	348
Stipulation Free	52	10	45	17
Student Council	304	1,050	1,091	263
Student Enrichment	1,202	68	-	1,269
Summer enrichment	-	4,125	150	3,975
Swimming	3,218	17,650	18,918	1,950
Tennis - Boys	709	41	272	478
Tennis - Girls	2,123	65	1,002	1,186
Testing Committee	807	1,399	1,225	981
Textbook rental	48	15,530	15,578	-
Track - Boys	1,781	5,416	6,016	1,180
Track - Girls	228	13,291	13,519	-
Volleyball	1,776	2,182	2,691	1,268
Women of Boone	246	-	-	246
Wrestling	4,435	7,156	11,350	241
Yearbook	8,025	7,375	7,416	7,984
Youth Service Center	2,269	1,168	1,183	2,253
Total	\$ 173,338	\$ 579,859	\$ 605,583	\$ 147,614

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner High School Activity Fund
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Academic Team	\$ 716	\$ 771	\$ 1,158	\$ 328
Agenda Book	5	4,802	4,802	5
Archery Club	7,131	8,084	9,438	5,778
Art	-	3,214	3,199	15
Art Club	675	-	58	617
Athletic	23,713	104,531	85,977	42,267
Athletic Fees	22,689	15,226	9,350	28,565
Athletic Gates	-	11,225	11,177	48
Background Check	30	360	380	10
Band	5,865	2,389	2,674	5,580
Baseball	21,243	49,616	51,498	19,360
Basketball/Boys	16,561	20,331	22,447	14,444
Basketball/Girls	18,495	15,999	18,034	16,459
Bowling	282	88	-	370
Character Counts	3,237	-	-	3,237
Cheerleaders	4,674	37,755	39,899	2,530
Choir Fee	-	771	771	-
Choirs	3,573	9,669	10,812	2,430
CHS Scholarship	4,929	4,305	5,229	4,005
Citi 2020-2021	4,217	-	4,217	-
Citi 2021-2022	10,500	44	9,104	1,440
Citi 2022-23	-	10,500	-	10,500
Citi Reserve Account	1,962	4,217	161	6,018
Clearing	-	50	50	-
Cougars for a Cause	597	-	-	597
Cougars in the Community	622	169	285	506
Cross Country	8,109	16,417	11,776	12,750
CTE	-	821	821	-
Culinary Creations	4,649	21,927	19,878	6,698
Dallas Willoughby	-	1,500	1,500	-
District Baseball	-	1,866	1,691	175
Dist Volleyball	-	11,144	11,144	-
District Basketball	-	1,658	1,608	50
District Softball	-	75	-	75
Drinks/Snack - Student Account	5,772	2,900	94	8,578
Drug Free Club	109	-	93	16
Earth Club	738	-	121	616
Educators Rising	89	-	24	65
English	1,969	546	1,085	1,431
F.B.L.A	2,723	5,650	7,457	916
F.C.C.L.A.	5,918	-	930	4,987
F.F.A.	3,965	3,926	3,448	4,442
Fees	89	55,262	55,296	55
FFA Scholarship	49,169	-	-	49,169
Field Rental	-	3,750	-	3,750
Field Trips	209	-	-	209
Football	18,338	71,144	70,000	19,482
Gay/Straight Alliance	49	330	270	109
General	10,346	2,227	7,266	5,307

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner School Activity Fund (Continued)
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Golf/Boys	\$ 68	\$ 7,033	\$ 5,607	\$ 1,493
Golf/Girls	261	254	320	195
Gordy Beil Scholarship	75	-	75	-
Greenhouse	2,811	2,523	2,028	3,306
Greg Miller Athletic Scholarship	5,000	-	500	4,500
Guidance	15,908	8,761	8,285	16,384
Hispanic Honor Society	1,019	482	492	1,010
Instrument Rental Fee	-	528	528	-
Inventory/Replacement	558	144	-	702
John Hoffman Scholarship	15,995	-	1,000	14,995
Junior Class	15,890	36,701	45,141	7,450
Leadership League	116	113	90	139
Marching Band	8,458	5,930	8,142	6,246
MDHRoom	847	-	-	847
Media/Yearbook	9,280	360	2,295	7,345
Men/Woman of Conner	129	268	337	60
Musical Theatre	2,440	7,165	4,088	5,516
National Honor Society	1,949	2,793	1,997	2,746
Orchestra	235	-	25	210
Parking	-	4,199	4,199	-
Postage	388	84	-	472
Project Learning	157	-	-	157
Scholarships	-	6,503	6,500	3
Science	2	14,318	14,305	15
Senior Class	530	26,985	22,171	5,343
Soccer/Boys	8,245	26,270	20,604	13,911
Soccer/Girls	13,260	27,126	23,795	16,591
Social Studies	-	1,326	1,326	-
Soft Drinks - Faculty Account	623	629	524	728
Softball	4,062	8,523	7,035	5,550
Speech Team	6	-	-	6
Student Council	1,484	-	95	1,389
Swimming	937	6,905	3,158	4,684
Teachers Helping Teachers	8	383	326	65
Tennis/Boys	735	47	141	641
Tennis/Girls	150	249	321	78
Textbooks	125	50,200	50,260	65
The Cougar Crew	263	402	338	328
Track	2,667	3,386	4,746	1,307
TSA	400	-	-	400
Volleyball	1,668	13,256	5,142	9,782
Walking Club	78	-	-	78
Wendell Hull Scholarship	-	1,360	-	1,360
Wrestling	8,156	4,771	7,664	5,262
YFSC	3,311	923	1,197	3,037
Total	\$ 392,251	\$ 776,158	\$ 740,020	\$ 428,388

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
1st Financial Scholarship	\$ -	\$ 500	\$ 500	\$ -
33rd District Athletics	-	1,439	1,439	-
Academic Team	1,026	388	625	789
After School Calculus	163	18	163	18
Ambassadors	35	-	-	35
AP Biology	5	-	-	5
AP Government Field	40	-	-	40
Archery club	4,096	12,366	13,692	2,771
Art Club	0	272	189	83
Athletic Administration	9,883	210,073	189,089	30,866
Athletic Fees	4,145	32,618	32,737	4,025
Autism Fundraiser	405	326	441	290
Band	20,427	12,811	13,421	19,817
Baseball	7,555	12,514	8,474	11,595
Basketball Boys	3,340	21,123	16,785	7,677
Basketball Girls	6,098	20,198	22,875	3,422
Biology club	81	-	-	81
Bowling Team	1,031	3,511	2,491	2,051
Cheerleading	22,441	118,019	110,701	29,759
Cheerleading competition	-	13,970	13,970	-
Chorus	-	4,677	3,619	1,057
Class 2022	347	15,715	15,562	500
Class of 2021	2,615	-	2,615	-
Class of 2023	-	489	-	489
Class of 2024	-	36	-	36
Class of 2025	-	565	75	490
Cooper Can	180	330	430	80
Cooper Cuisine	1,140	10,375	11,515	-
Cooper Store	976	21,535	17,031	5,480
Cross Country Boys	281	4,706	2,946	2,041
Cross Country Girls	2,667	3,221	3,001	2,887
Dance Team	8,542	10,506	16,178	2,870
Diversity	1	-	1	-
Drama	17,040	37,771	33,723	21,088
Drub Free Club of Cooper	-	25	25	-
English Field Trip	182	-	-	182
Family Resource Center	-	225	-	225
FBLA	38	3,965	3,428	575
FCCLA	393	20,181	20,396	177
FFA	1	12,120	11,453	667
FFA Greenhouse	1,911	-	-	1,911
FMP	15	2,051	1,851	215
Football	41,224	104,451	78,268	67,407
French Club	51	60	18	93
French Honor Society	-	133	133	-
General	3,554	3,099	5,051	1,602
German Field Trip	25	-	-	25
German Honor Society	113	-	-	113
Girls Golf Conference	-	150	150	-
Girls Golf Tournament	900	6,050	6,950	-
Girl's Soccer School	-	6,000	6,000	-
Golf Boys	11	6,137	3,430	2,718
Golf Girls	3,301	9,591	10,744	2,148
Graduation DVD	1,193	35	840	388

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund (Continued)
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Guidance	\$ 2,381	\$ 21,230	\$ 23,612	\$ -
Interalliance	353	-	-	353
Junior Class	430	-	-	430
KY background checks	20	1,190	1,210	-
Lacrosse Club	-	8,193	539	7,654
National Honor Society	2,502	3,606	2,891	3,217
NYC Drama Trip	-	58,285	57,875	409
OOTM II	1	-	1	-
Parking Passes	500	4,561	4,561	500
PEP Club	316	-	95	221
Room 150	80	138	78	140
Science Honor Society	66	-	-	66
Senior English Project	-	250	-	250
Sew Copper	421	7,607	7,090	939
Ski Club	47	58	-	105
Soccer Boys	-	16,242	11,389	4,853
Soccer Girls	6,847	20,593	14,951	12,489
Softball	2,026	3,081	3,975	1,132
Spanish Club	46	-	-	46
Spanish Honor Society	2,085	320	110	2,295
Speech & Drama	4,555	1,705	4,640	1,621
St. Elizabeth Healthcare	1,041	10,000	8,426	2,614
Stadium Revenue	-	2,060	(397)	2,457
Start Up Cash	-	400	400	-
Student Council	1,501	34,327	27,184	8,644
Student Fees	779	108,007	106,819	1,967
Swimming	1,976	9,038	6,796	4,219
Table Tennis Club	121	-	-	121
Tennis Boys	1	1,240	857	384
Tennis Girls	429	253	13	670
Textbook	12	36,692	36,204	500
Track Boys	5,104	9,073	8,680	5,497
Track Girls	2,257	8,583	7,200	3,640
Vending	160	64	-	224
Vending Faculty	-	560	411	149
Vending Students	-	54	-	54
Volleyball	2,501	10,872	9,139	4,234
WL Exams	-	1,925	1,920	5
Wrestling	3,691	2,121	2,876	2,936
Yearbook	15,839	3,771	353	19,257
Total	\$ 225,566	\$ 1,130,445	\$ 1,032,929	\$ 323,083

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund
For the Year Ended June 30, 2022**

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022
Academic Team	\$ 313	\$ 406	\$ -	\$ 719
Advanced Multimedia	2,400	-	1,100	1,300
Agenda	135	683	797	22
Archery	10,609	9,394	11,477	8,525
Art club	1,555	2,212	1,965	1,802
Art Department	610	-	-	610
Art Honor Society	290	250	5	535
Art Student Fees	105	2,049	2,060	95
Athletic Administration	9,702	79,918	57,790	31,830
Athletic Fees	-	20,420	20,155	265
Athletic Gate Clearing	6,760	106,232	99,504	13,488
Baseball	22,281	18,768	28,729	12,320
Biliteracy	-	40	-	40
Bowling	-	1,361	967	394
Boys Basketball	8,643	25,863	24,342	10,163
Boys District Basketball	-	8,043	8,043	-
Boys Golf	372	1,686	2,058	-
Boys Soccer	15,078	31,711	12,369	34,420
Boys Tennis	1,265	-	1,240	25
Boys Track	4,378	6,072	3,965	6,486
Business Department	2,089	-	1,763	326
Campus Store	4,059	5,341	4,844	4,555
Cash Advance/Start Up	-	850	850	-
Cheerleading	24,527	142,926	164,670	2,784
Chickfila Leader Academy	442	1,237	1,310	369
Children, Inc.	500	-	-	500
Choral Music	1,612	3,649	2,607	2,654
Chorus Student Fees	15	195	210	-
City of Union Grant	38,936	666	39,602	-
Class of 2021	4,634	-	4,634	-
Class of 2022	13,896	17,711	25,402	6,205
Class of 2023	-	2,317	2,195	122
Cross Country	6,743	23,261	19,284	10,720
Dance Team	5,785	19,246	22,125	2,907
DECA	2,322	44,632	46,112	842
District Baseball	-	-	-	-
District Soccer	-	4,783	4,783	-
District Softball	-	-	-	-
District Volleyball	-	-	-	-
Drama	-	8,411	3,625	4,786
English Department	126	-	-	126
English Honor Society	1,240	1,280	2,020	500
F.B.L.A	4,099	13,453	13,765	3,787
FCCLA	2,087	5,092	4,363	2,816
FCS	4,703	50	-	4,753
FCS Catering	1,994	1,511	1,910	1,595
FCS Raider Threads	3,647	-	40	3,607
FCS Student Fees	120	2,026	2,047	99
FFA	2,397	14,811	16,063	1,145
Fishing Club	-	100	100	-
FMD Room	8,059	1,104	2,397	6,766
FMD Unified Sports	401	2,806	40	3,166
Football	-	37,428	37,203	225

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund (Continued)
For the Year Ended June 30, 2022**

	<u>Fund Balance July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Fund Balance June 30, 2022</u>
Football Playoffs	\$ -	\$ 13,935	\$ 13,935	\$ -
Foreign Language	2	176	178	-
Forensics/Speech & Debate	3,689	12,636	13,660	2,665
French Honor Society	246	425	527	144
General	3,104	2,217	4,041	1,280
General Student Fees	1,473	51,699	51,613	1,559
German Club	90	-	-	90
German Honor Society	203	190	170	223
Girls Basketball	11,114	34,173	29,208	16,078
Girls District Basketball	-	3,950	3,950	-
Girls Golf	921	1,410	975	1,356
Girls Soccer	14,550	6,877	11,572	9,855
Girls Tennis	-	475	218	257
Girls Track	-	10,300	6,254	4,046
Glob. Issues Student Fees	22	168	179	11
Guidance Department	31,864	32,259	32,814	31,308
HOSA	1,186	2,271	2,660	797
INTERalliance Club	-	125	-	125
Key Club	1,271	788	1,180	879
Lacrosse	-	29,607	27,108	2,499
Library	405	250	655	-
Lost Book Fund	-	80	80	-
Marching Band	22,333	91,245	62,221	51,356
Math Honor Society	1,061	568	184	1,445
MOS	1,320	-	1,320	-
Multicultural Society	254	-	100	154
National Honor Society	4,893	4,425	3,755	5,563
Nocial Smith Award	9,774	-	-	9,774
Odyssey of the Mind	2,158	-	-	2,158
Parking Fees	-	4,664	4,664	-
PCGB Donation	-	-	-	-
Photography Club	-	1,200	-	1,200
Physical Education	46	4,469	2,055	2,460
Raider Alliance Club	-	271	-	271
Raider Nation APP	400	850	-	1,250
Regional Archery	-	-	-	-
Regional Baseball	-	15,009	15,009	-
Regional Bowling	-	150	-	150
Regional Boys Basketball	-	-	-	-
Regional Boys Soccer	-	907	907	-
Regional Cross Country	-	6,125	6,125	-
Regional Girls Basketball	-	-	-	-
Regional Girls Soccer	-	-	-	-
Regional Softball	-	-	-	-
Regional Swim & Dive	-	650	650	-
Regional Track	-	2,789	2,174	615
Regional Volleyball	-	-	-	-
Regional Wrestling	701	-	701	-
SBDM Background Checks	-	51	51	-
Science Department	2,621	2,998	3,705	1,913
Science Honor Society	798	305	801	302
Science Olympiad	-	3,207	3,007	200
Science Student Fees	300	12,868	12,889	279
Social Studies	-	-	-	-
Softball	3,802	9,971	8,357	5,416
Spanish Honor Society	-	839	839	-
SS Honor Society	72	-	60	12
Stadium Project	-	-	-	-
Student Council	1,532	48,850	32,078	18,304
Student Fines	200	1,900	1,996	104
Student Scholarships	56,148	30,151	34,746	51,553
Student Vending	2,363	1,243	1,008	2,597
Students For Life Club	73	-	-	73
Summer School	1,350	19,125	20,332	143
Swim & Dive Team	143	8,218	6,303	2,058
Teacher Vending	790	3,687	4,404	73
Textbook Rental	1,040	37,974	37,964	1,051
TSA	-	2,170	1,963	207
Vo-Ag Student fees	30	463	423	70
Vocational Agriculture	3,791	3,758	3,410	4,139
Volleyball	7,547	16,106	18,631	5,021
Workbook/Digital Materials	150	2,773	2,893	30
Wrestling	13,808	20,396	19,407	14,797
Yearbook	6,610	10,666	9,355	7,921
Youth Services Center	95	100	111	84
Total	\$ 435,268	\$ 1,245,143	\$ 1,226,107	\$ 454,305

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
For the Year Ended June 30, 2022**

	Fund			Fund
	Balance at			Balance at
Middle Schools	July 1, 2021	Receipts	Expenditures	July 1, 2022
BALLYSHANNON MIDDLE SCHOOL	\$ 35,960	\$ 113,432	\$ (112,860)	\$ 36,532
CAMP ERNST MIDDLE SCHOOL	67,236	127,452	(145,875)	48,813
CONNER MIDDLE SCHOOL	92,070	282,688	(295,714)	79,044
GRAY MIDDLE SCHOOL	68,058	273,273	(251,955)	89,376
JONES MIDDLE SCHOOL	29,845	38,466	(35,617)	32,695
OCKERMAN MIDDLE SCHOOL	40,275	97,765	(89,263)	48,777
Elementary Schools				
BURLINGTON ELEMENTARY SCHOOL	32,599	33,498	(30,678)	35,420
COLLINS ELEMENTARY SCHOOL	20,763	13,258	(16,002)	18,019
ERPENBECK ELEMENTARY SCHOOL	58,515	84,840	(102,413)	40,942
FLORENCE ELEMENTARY SCHOOL	31,502	27,557	(21,528)	37,530
GOODRIDGE ELEMENTARY SCHOOL	89,173	70,304	(56,573)	102,904
KELLY ELEMENTARY SCHOOL	40,121	62,639	(56,071)	46,689
LONGBRANCH ELEMENTARY SCHOOL	10,084	84,972	(83,583)	11,473
NEW HAVEN ELEMENTARY SCHOOL	61,590	74,807	(100,456)	35,941
NORTH POINTE ELEMENTARY SCHOOL	27,481	53,548	(40,374)	40,655
OCKERMAN ELEMENTARY SCHOOL	32,071	43,348	(32,658)	42,761
SHIRLEY MANN ELEMENTARY SCHOOL	15,820	86,035	(89,576)	12,279
STEEPLECHASE ELEMENTARY SCHOOL	-	38,961	(32,195)	6,766
STEPHENS ELEMENTARY SCHOOL	12,438	26,483	(27,715)	11,206
THORNWILDE ELEMENTARY SCHOOL	20,361	68,890	(67,483)	21,768
YEALEY ELEMENTARY SCHOOL	11,126	65,473	(61,940)	14,658
	<u>\$ 797,088</u>	<u>\$ 1,767,689</u>	<u>\$ (1,750,528)</u>	<u>\$ 814,250</u>

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*
State's proportionate share of the net pension liability associated with the District	<u>426,121,417</u>	<u>455,108,537</u>	<u>429,864,664</u>	<u>404,018,757</u>	<u>817,224,215</u>	<u>865,705,447</u>	<u>669,277,382</u>	<u>554,477,174</u>	*	*
Total	<u>\$ 426,121,417</u>	<u>\$ 455,108,537</u>	<u>\$ 429,864,664</u>	<u>\$ 404,018,757</u>	<u>\$ 817,224,215</u>	<u>\$ 865,705,447</u>	<u>\$ 669,277,382</u>	<u>\$ 554,477,174</u>	*	*
District's covered-employee payroll	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	\$ 87,536,568	\$ 85,576,799	\$ 84,319,614	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	*	*
Plan fiduciary net position as a percentage of the total pension liability	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*	*

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

Changes of benefit terms: None

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

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

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

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

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

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

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 3,985,556	\$ 3,447,968	\$ 3,410,481	\$ 3,208,753	\$ 3,115,028	\$ 3,028,050	\$ 2,880,649	\$ 2,117,192	\$ 1,517,334	\$ 1,144,998
Contributions in relation to the contractually required contribution	<u>(3,985,556)</u>	<u>(3,447,968)</u>	<u>(3,410,481)</u>	<u>(3,208,753)</u>	<u>(3,115,028)</u>	<u>(3,028,050)</u>	<u>(2,880,649)</u>	<u>(2,117,192)</u>	<u>(1,517,334)</u>	<u>(1,144,998)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$96,090,393	\$92,888,014	\$87,536,568	\$85,576,799	\$ 84,319,614	*
Contributions as a percentage of covered-employee payroll	3.61%	3.27%	3.30%	3.24%	3.24%	3.26%	3.29%	2.47%	1.80%	*

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of net pension liability	1.175779%	1.183459%	1.056374%	1.046308%	1.061296%	1.058814%	1.053916%	1.050980%	*	*
District's proportionate share of the net pension liability	\$ 74,965,134	\$ 90,770,326	\$ 74,295,524	\$ 63,723,346	\$ 62,120,918	\$ 52,131,983	\$ 45,313,405	\$ 34,098,000	*	*
Total net pension liability	\$ 6,375,784,388	\$ 7,669,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*	*
District's covered-employee payroll	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	\$ 25,264,462	\$ 24,601,259	\$ 24,096,211	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	249.62%	299.50%	278.81%	245.74%	240.48%	206.35%	184.19%	141.51%	*	*
Plan fiduciary net position as a percentage of the total pension liability	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*	*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions - CERS

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 8,455,606	\$ 7,225,599	\$ 7,292,836	\$ 5,723,896	\$ 4,973,632	\$ 4,825,467	\$ 4,310,381	\$ 4,347,033	\$ 4,551,883	\$4,747,527	\$3,860,040
Contributions in relation to the contractually required contribution	<u>(8,455,606)</u>	<u>(7,225,599)</u>	<u>(7,292,836)</u>	<u>(5,723,896)</u>	<u>(4,973,632)</u>	<u>(4,825,467)</u>	<u>(4,310,381)</u>	<u>(4,347,033)</u>	<u>(4,551,883)</u>	<u>(4,747,527)</u>	<u>(3,860,040)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$31,373,416	\$30,031,586	\$30,306,885	\$26,647,709	\$25,931,627	\$25,831,625	\$25,264,462	\$24,601,259	\$24,096,211	*	*
Contributions as a percentage of covered-employee payroll	26.95%	24.06%	24.06%	21.48%	19.18%	18.68%	17.06%	17.67%	18.89%	*	*

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

BOONE COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	404,000	1,050,000	920,000	815,000	622,000	*	*	*	*	*	*
Total net OPEB liability	\$ 404,000	\$ 1,050,000	\$ 920,000	\$ 815,000	\$ 622,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	89.15%	71.57%	73.40%	74.97%	79.99%	*	*	*	*	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	26 Years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions - LIF

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*	*	*

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective trust OPEB liability	1.742229%	1.717691%	1.675586%	1.588400%	2.850100%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 37,383,000	\$ 43,350,000	\$ 49,041,000	\$ 55,113,000	\$ 56,846,000	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 30,360,000	\$ 34,725,000	\$ 39,604,000	\$ 47,496,000	\$ 46,435,000	*	*	*	*	*
Total net OPEB liability	\$ 67,743,000	\$ 78,075,000	\$ 88,645,000	\$102,609,000	\$ 103,281,000	*	*	*	*	*
District's covered-employee payroll	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	124.5%	143.0%	184.0%	212.5%	220.1%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.74%	39.05%	32.58%	25.54%	21.18%	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Changes of benefit terms - None

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

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions - MIF

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 3,092,469	\$ 3,033,561	\$ 2,917,651	\$ 2,829,440	\$ 2,731,340	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(3,092,469)</u>	<u>(3,033,561)</u>	<u>(2,917,651)</u>	<u>(2,829,440)</u>	<u>(2,731,340)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$31,373,416	\$30,031,586	\$30,306,885	\$26,647,709	\$25,931,627	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	9.86%	10.10%	9.63%	10.62%	10.53%	*	*	*	*	*

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

Changes of benefit terms - None

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective trust OPEB liability	1.175504%	1.183132%	1.056109%	1.044627%	1.061296%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 22,504,436	\$ 28,569,040	\$ 17,763,278	\$ 18,576,280	\$ 21,335,680	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*
Total net OPEB liability	\$ 22,504,436	\$ 28,569,040	\$ 17,763,278	\$ 18,576,280	\$ 21,335,680	*	*	*	*	*
District's covered-employee payroll	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	74.9%	94.3%	66.7%	71.6%	82.6%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	57.33%	51.67%	60.44%	57.62%	52.40%	*	*	*	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions – MIF (CERS)

	Last 10 Fiscal Years*										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,429,544	\$ 1,442,975	\$ 1,401,604	\$ 1,218,835	\$ 1,222,231	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	(1,429,544)	(1,442,975)	(1,401,604)	(1,218,835)	(1,222,231)	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	4.56%	4.80%	4.62%	4.57%	4.71%	*	*	*	*	*	*

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

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2022</u>
U.S. Department of Education			
<i>Passed through Kentucky Department of Education</i>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 20	\$ 103,957
Special Education_Grants to States	84.027	3810002 21	2,775,926
Special Education_Grants to States	84.027	3810002 22	1,042,727
Special Education_Grants to States	84.027X	4910002-21	6,788
Special Education_Preschool Grants	84.173	3800002 21	104,946
Special Education_Preschool Grants	84.173	3800002 22	84,270
Special Education_Preschool Grants	84.173X	4900002-21	10,697
Total Special Education Cluster			<u>4,129,311</u>
Title I Grants to Local Educational Agencies	84.010A	3100002 19	24,752
Title I Grants to Local Educational Agencies	84.010A	3100002 20	76,715
Title I Grants to Local Educational Agencies	84.010A	3100002 21	570,679
Title I Grants to Local Educational Agencies	84.010A	3100002 22	1,496,945
Title I School Improvement Funds	84.010A	3100202 20	18,771
Title I School Improvement Funds	84.010A	3100202 21	169,131
Title I School Improvement Funds	84.010A	3100202 21	151,883
Title I School Improvement Funds	84.010		37,973
Total CFDA #84.010			<u>2,546,849</u>
Career and technical Education -Basic Grants to States	84.048	3710002 22	157,619
Total CFDA #84.048			<u>157,619</u>
English Language Acquisition State Grants	84.365	3300002 20	21,787
English Language Acquisition State Grants	84.365	3300002 21	70,850
English Language Acquisition State Grants	84.365	3300002 22	58,918
Total CFDA #84.365			<u>151,555</u>
Title II Improving Teacher Quality State Grants	84.367	3230002 19	32,308
Title II Improving Teacher Quality State Grants	84.367	3230002 20	408,767
Title II Improving Teacher Quality State Grants	84.367	3230002 21	203,396
Title II Improving Teacher Quality State Grants	84.367	3230002 22	1,238
Total CFDA #84.367			<u>645,709</u>
Title IV-Part A Student Support & Academic Enrichment Grant	84.424A	3420002-21	602
Twenty-First Century Community Learning Centers	84.287C	3400002 19	23,888
CRSSA Sustainment Funds	93.575	Not provided	13,217
Governor's Emergency Education Relief Fund	84.425C	CARE 20	102,687
GEER - FRYSC Projects	84.425C	Not provided	74,155
Digital Learning Coaches	84.425D	4000003-20	25,282
Digital Learning Coaches	84.425D	4000003-21	6,449
Elementary & Secondary School Emergency Relief Fund	84.425D	4200002 20	178,100
Elementary & Secondary School Emergency Relief Fund-Vaccine Incentive	84.425D	Not provided	210,200
FY21 Elementary & Secondary School Emergency Relief Fund II	84.425D	4200002 21	5,244,904
FY21 Elementary & Secondary School Emergency Relief Fund II-State Set Aside	84.425D	4200003-21	213,742
FY21 American Rescue Plan Elementary & Secondary School	84.425U	4300002-21	2,383,303
FY22 Kentucky Virtual Library	84.425U	4300003-21	15,866
MOA-Comprehensive Coord School Counselor	84.425U	Not provided	66,643
Total CFDA #84.425			<u>8,521,331</u>
MOA - School Health Coordinator	93.981	Not provided	6,270
ARP For Museums and Libraries	45.312	Not provided	9,418
Total U.S. Department of Education			<u>16,205,769</u>
U.S. Department of Agriculture			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
National School Lunch Program	10.555	7750002 21	1,548,026
National School Lunch Program	10.555	7750002 22	7,155,507
National School Lunch Program	10.555	9980000 22	546,105
National School Lunch Program	10.555	7970000 21	151,018
School Breakfast Program	10.553	7760005 21	409,565
School Breakfast Program	10.553	7760005 22	1,951,589
Summer Food Service Program for Children	10.559	7740023 21	1,424,219
Summer Food Service Program for Children	10.559	7690024 21	146,100
Warehouse & Storage & Distribution	10.560	7700001 21	5,918
Summer Food Service Program for Children	10.649	9990000 21	5,814
			<u>13,343,861</u>
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not provided	962,337
Total Child Nutrition Cluster			<u>14,306,198</u>
Total U.S. Department of Agriculture			<u>14,306,198</u>
Total Expenditures of Federal Awards			<u>\$ 30,511,967</u>

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2022, the District reported food commodities expended in the amount of \$962,337.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2022.

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

To the Members of the Board of Education
Boone County School District
Florence, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Boone County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Boone County School District's basic financial statements, and have issued our report thereon dated December 14, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boone County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 other matters that we reported to management of the District on pages 83 to 92.

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

Purpose of this Report

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

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
December 14, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boone County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Auditor's Responsibilities for the Audit of Compliance (Continued)

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 Boone County School District's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
December 14, 2022

BOONE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.010	Title I
84.425	Education Stabilization Fund

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2022**

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

Management Letter Comments Year Ended June 30, 2022

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

This letter summarizes our comments and suggestions regarding those matters. A separate report dated December 14, 2022 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated December 14, 2022, on the financial statements of the Boone County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Boone County High School

No matters are reportable

Conner High School

No matters are reportable

Cooper High School

2022-01: Multiple receipt forms

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by students and faculty when money is turned into the school.

Condition – During the testing of Activity Funds, it was noted that one student did not sign a multiple receipt form and, in general, students are not signing multiple receipt forms for any collections during lunch.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that all students and the faculty sign multiple receipt forms when turning in money.

Board Response – The school faculty will require signatures by both parties on multiple receipt forms.

Larry A. Ryle High School

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

Boone County Adult High School

No matters are reportable

Ballyshannon Middle School

No matters are reportable

Camp Ernst Middle School

No matters are reportable

Conner Middle School

2022-02: Negative account balance

Criteria – Per best practices recommended by the Kentucky Department of Education, individual school activity accounts should not end the fiscal year with a negative (deficit) balance.

Condition – During the testing of Activity Funds, it was noted that one individual school account had a negative (deficit) balance at the end of the fiscal year.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that the school bookkeeper and principal review all accounts at fiscal year end to ensure that there are no negative (deficit) balances. If an activity account ends with a negative balance, then the general activity account must cover the deficit by June 30.

Board Response – The school bookkeeper noted that there was a disbursement that was coded to the incorrect account resulting in a negative (deficit) balance. The disbursement was coded to the correct account in the following fiscal year. The school bookkeeper and the principal will review the Annual Financial Report for any negative balances.

2022-03: Multiple receipt forms

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by students and faculty when money is turned into the school.

Condition – During the testing of Activity Funds, it was noted that faculty members receiving money were not signing the multiple receipt form, indicating that they were the ones who received money from a student.

Effect – Proper procedures over reporting were not properly followed.

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

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

Recommendation – We recommend that all students and the faculty sign multiple receipt forms when turning in money.

Board Response – The school faculty will require signatures by both parties on multiple receipt forms.

Gray Middle School

2022-04: Invoices not marked paid

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

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

2022-05: Multiple receipt forms

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by students and faculty when money is turned into the school.

Condition – During the testing of Activity Funds, it was noted that faculty members receiving money were not signing the multiple receipt form, indicating that they were the ones who received money from a student.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that all students and the faculty sign multiple receipt forms when turning in money.

Board Response – The school faculty will require signatures by both parties on multiple receipt forms.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

Ockerman Middle School

2022-06: Untimely review of monthly financial reports

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Monthly Financial Reports should be filed in a timely manner.

Condition -- During the testing of the Activity Funds, seven instances were noted in which the monthly Financial Reports were filed more than 15 days after month-end.

Effect -- Timeliness of Monthly Financial Report filing not followed.

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

Recommendation -- We recommend that all Monthly Financial Reports be filed within 15 days of the month-end

Board Response -- The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and financial reports will be submitted within 15 days of the end of the month.

R.A. Jones Middle School

No matters are reportable

Burlington Elementary

2022-07: Multiple receipt forms

Criteria -- Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by students and faculty when money is turned into the school.

Condition -- During the testing of Activity Funds, it was noted that faculty members receiving money were not signing the multiple receipt form, indicating that they were the ones who received money from a student.

Effect -- Proper procedures over reporting were not properly followed.

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

Recommendation -- We recommend that all students and the faculty sign multiple receipt forms when turning in money.

Board Response -- The school faculty will require signatures by both parties on multiple receipt forms.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

Collins Elementary

2022-08: Untimely review of monthly financial reports

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Monthly Financial Reports should be filed in a timely manner.

Condition – During the testing of the Activity Funds, six instances were noted in which the monthly Financial Reports were filed more than 15 days after month-end.

Effect – Timeliness of Monthly Financial Report filing not followed.

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

Recommendation – We recommend that all Monthly Financial Reports be filed within 15 days of the month-end

Board Response – The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and financial reports will be submitted within 15 days of the end of the month.

Erpenbeck Elementary

No matters are reportable

Florence Elementary

No matters are reportable

Goodridge Elementary

No matters are reportable.

Charles H. Kelly Elementary

No matters are reportable

Longbranch Elementary

No matters are reportable

Shirley Mann Elementary

No matters are reportable

New Haven Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

North Pointe Elementary

No matters are reportable

Ockerman Elementary

No matters are reportable

Stephens Elementary

No matters are reportable

Thornwilde Elementary

No matters are reportable

Yealey Elementary

2022-09: Untimely review of monthly financial reports

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Monthly Financial Reports should be filed in a timely manner.

Condition – During the testing of the Activity Funds seven instances were noted in which the monthly Financial Reports were filed more than 15 days after month-end.

Effect – Timeliness of Monthly Financial Report filing not followed.

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

Recommendation – We recommend that all Monthly Financial Reports be filed within 15 days of the month-end

Board Response – The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and financial reports will be submitted within 15 days of the end of the month.

2022-10: Negative account balance

Criteria – Per best practices recommended by the Kentucky Department of Education, individual school activity accounts should not end the fiscal year with a negative (deficit) balance.

Condition – During the testing of Activity Funds, it was noted that four individual school accounts had a negative (deficit) balance at the end of the fiscal year.

Effect – Proper procedures over reporting were not properly followed.

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

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

CURRENT YEAR RECOMMENDATIONS (Continued)

Recommendation – We recommend that the school bookkeeper and principal review all accounts at fiscal year end to ensure that there are no negative (deficit) balances. If an activity account ends with a negative balance, then the general activity account must cover the deficit by June 30.

Board Response – The school bookkeeper noted that there was a disbursement that was coded to the incorrect account resulting in a negative (deficit) balance. The disbursement was coded to the correct account in the following fiscal year. The school bookkeeper and the principal will review the Annual Financial Report for any negative balances.

Steeplechase Elementary

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Boone County High School

No matters are reportable

Conner High School

Statement of prior year deficiency: It was noted that one check was outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

Cooper High School

No matters are reportable

Larry A. Ryle High School

Statement of prior year deficiency: It was noted that there were checks outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

Boone County Adult High School

No matters are reportable

Ballyshannon Middle School

No matters are reportable

Camp Ernst Middle School

Statement of prior year deficiency: It was noted that there were checks outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

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

Current year follow-up: No such instances noted.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Conner Middle School

No matters are reportable

Gray Middle School

No matters are reportable

Ockerman Middle School

No matters are reportable

R.A. Jones Middle School

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

Current year follow-up: No such instances noted.

Burlington Elementary

No matters are reportable

Collins Elementary

No matters are reportable

Erpenbeck Elementary

Statement of prior year deficiency: It was noted that there were checks outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

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

Current year follow-up: No such instances noted.

Florence Elementary

Statement of prior year deficiency: It was noted that deposits were not being made in a timely manner.

Current year follow-up: No such instances noted

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2022**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Goodridge Elementary

No matters are reportable

Charles H. Kelly Elementary

No matters are reportable

Longbranch Elementary

No matters are reportable

Shirley Mann Elementary

No matters are reportable

New Haven Elementary

No matters are reportable

North Pointe Elementary

No matters are reportable.

Ockerman Elementary

No matters are reportable

Stephens Elementary

Statement of prior year deficiency: It was noted that there were checks outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

Thornwilde Elementary

Statement of prior year deficiency: It was noted that there were checks outstanding for longer than 12 months.

Current year follow-up: No such instances noted.

Yealey Elementary

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable