

Bullitt County School District

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

BULLITT COUNTY SCHOOL DISTRICT

June 30, 2022

Table of Contents

Independent Auditors' Report	1-3
Management's Discussion and Analysis (MD&A - Unaudited)	4-7
Basic Financial Statements:	
District Wide Financial Statements:	
Statement of Net Position - District Wide	8
Statement of Activities - District Wide	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position – Proprietary Funds	14
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	15
Statement of Cash Flows – Proprietary Funds	16
Notes to the Financial Statements	17-47

BULLITT 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	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	49
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund	50
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Special Revenue Fund	51
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Construction Fund	52
Statement of Receipts, Disbursements and Fund Balances – Bond and Interest Redemption Funds	53
Statement of Receipts, Disbursements and Fund Balances – Bullitt Central High School Activity Fund	54-55
Statement of Receipts, Disbursements and Fund Balances – Bullitt East High School Activity Fund	56-57
Statement of Receipts, Disbursements and Fund Balances – North Bullitt High School Activity Fund	58-59
Combining Statement of Receipts, Disbursements and Due to Student/Groups – School Activity Funds	60
Schedule of the District's Proportionate Share of the Net Pension Liability – TRS	61
Schedule of District Contributions – TRS	62
Schedule of the District's Proportionate Share of the Net Pension Liability – CERS	63
Schedule of District Contributions – CERS	64

BULLITT COUNTY SCHOOL DISTRICT

June 30, 2022

Table of Contents (Continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – LIF	65
Schedule of District Contributions – LIF	66
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF	67
Schedule of District Contributions – MIF	68
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)	69
Schedule of District Contributions – MIF (CERS)	70
Schedule of Expenditures of Federal Awards	71-72
Notes to the Schedule of Expenditures of Federal Awards	73
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>	74-75
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	76-78
Schedule of Findings and Questioned Costs	79
Schedule of Prior Year Findings and Questioned Costs	80
Management Letter Comments	81-85

Independent Auditors' Report

To the Members of the Board of Education
Bullitt County School District
Shepherdsville, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt 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 Bullitt 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 Bullitt 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 Bullitt 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 Bullitt 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.

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.

**Independent Auditors' Report
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Bullitt 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 Bullitt 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 management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 4-7, 50-52, and 61-70 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bullitt County School District's basic financial statements. The combining and individual nonmajor fund financial statements and statement of receipts and disbursements of bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

BARNES DENNIG

Independent Auditors' Report (Continued)

Other Matters (Continued)

Other Information (Continued)

The combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022 on our consideration of the Bullitt County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bullitt County School District's internal control over financial reporting and compliance.

Change in Accounting Principle

As discussed in Note 18 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
November 15, 2022

BULLITT COUNTY SCHOOL DISTRICT

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

As management of the Bullitt 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

Overview

- The ending cash balance for the District was \$42.3 million. The most significant cash balance was for the General Fund of \$22.0 million. The General Fund had \$17.5 million in cash at June 30, 2021.
- The General Fund had \$126.9 million in revenue, which primarily consisted of the state program (SEEK), state on-behalf payments, property, utilities, and motor vehicle taxes. Excluding interfund transfers, there were \$125.0 million in General Fund expenditures.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise 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. Assets, liabilities, deferred inflows/outflows, revenues, and expenses are reported using the full accrual basis of accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

FINANCIAL HIGHLIGHTS (Continued)

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

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

Net Position for the periods ending June 30, 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	\$ 49,941,684	\$ 50,407,584
Noncurrent assets	<u>235,445,163</u>	<u>229,080,748</u>
Total assets	<u>285,386,847</u>	<u>279,488,332</u>
Deferred outflows	22,823,444	23,580,540
Current liabilities	15,971,068	14,478,492
Noncurrent liabilities	<u>225,570,383</u>	<u>249,527,672</u>
Total liabilities	<u>241,541,451</u>	<u>264,006,164</u>
Deferred inflows	<u>29,246,637</u>	<u>14,869,332</u>
Net position		
Investment in capital assets (net of debt)	72,956,558	58,842,274
Restricted	12,355,995	21,749,916
Unrestricted	<u>(47,890,350)</u>	<u>(56,398,814)</u>
Total net position	<u>\$ 37,422,203</u>	<u>\$ 24,193,376</u>

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2022, were \$126,881,718, net of inter-fund transfers and finance lease proceeds of \$1,717,259 and \$1,170,381, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$7,350,780 more than budget or approximately 5.05% of General Fund Budget.
- General Fund actual expenditures were \$124,974,865, net of inter-fund transfers of \$1,082,846.
- General Fund actual expenditures were less than budgeted expenditures by \$9,860,867.

BULLITT COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A - Unaudited)
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	\$ 465,823	\$ 51,122
Operating grants	<u>33,353,280</u>	<u>21,105,542</u>
Total grant revenues	<u>33,819,103</u>	<u>21,156,664</u>
General Revenues		
Taxes	67,063,452	62,629,583
Grants and entitlements	20,424,929	25,217,512
Earnings on investments	53,165	131,452
Other local sources	<u>(266,034)</u>	<u>1,139,403</u>
Total general revenues	<u>87,275,512</u>	<u>89,117,950</u>
Total revenues	<u>121,094,615</u>	<u>110,274,614</u>
Expenses		
Instructional	30,675,076	42,108,131
Student support services	9,701,146	6,015,973
Staff support	10,183,042	10,967,161
District administration	2,618,133	2,632,590
School administration	9,810,236	9,390,023
Business support	2,945,689	2,557,996
Plant operations	17,039,675	16,427,002
Student transportation	7,601,086	5,172,769
Food service operation	11,391,455	7,116,703
Day care	3,873	94,675
Community service	1,044,759	1,029,032
Other	390,215	802,214
Interest on long-term debt	<u>4,461,403</u>	<u>5,156,239</u>
Total expenses	<u>107,865,788</u>	<u>109,470,508</u>
Change in net position	<u>\$ 13,228,827</u>	<u>\$ 804,106</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Questions about this report, or additional financial information needs, should be directed to Lisa Lewis, Finance, at (502) 869-8000 or by mail, to 1040 KY-44, Shepherdsville, KY 40165.

BULLITT 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	\$ 40,915,673	\$ 1,419,615	\$ 42,335,288
Accounts receivable	3,655,798	631,796	4,287,594
Interfund receivable	651,440	-	651,440
Prepaid expenses	2,624,046	-	2,624,046
Inventories for consumption	<u>-</u>	<u>43,316</u>	<u>43,316</u>
Total current	<u>47,846,957</u>	<u>2,094,727</u>	<u>49,941,684</u>
Noncurrent:			
Construction in progress	14,582,770	-	14,582,770
Nondepreciated capital assets:			
Land	7,384,214	-	7,384,214
Depreciated capital assets:			
Land improvements	1,147,979	-	1,147,979
Buildings and improvements	320,212,601	-	320,212,601
Furniture and equipment	28,283,772	4,439,759	32,723,531
Less: accumulated depreciation	<u>(136,740,220)</u>	<u>(3,865,712)</u>	<u>(140,605,932)</u>
Total noncurrent	<u>234,871,116</u>	<u>574,047</u>	<u>235,445,163</u>
Total assets	<u>282,718,073</u>	<u>2,668,774</u>	<u>285,386,847</u>
Deferred outflows			
Deferred loss from refunding bonds	1,953,706	-	1,953,706
Deferred outflows from pension and OPEB liabilities	<u>18,256,568</u>	<u>2,613,170</u>	<u>20,869,738</u>
Total deferred outflows	<u>20,210,274</u>	<u>2,613,170</u>	<u>22,823,444</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	10,595,000	-	10,595,000
Accounts payable	1,562,042	17,956	1,579,998
Accrued interest	1,090,884	-	1,090,884
Accrued sick and vacation leave	109,088	-	109,088
Accrued payroll and related expenses	66,509	-	66,509
Current portion of finance leases	360,506	-	360,506
Unearned revenues	1,517,643	-	1,517,643
Interfund payable	<u>651,440</u>	<u>-</u>	<u>651,440</u>
Total current	<u>15,953,112</u>	<u>17,956</u>	<u>15,971,068</u>
Noncurrent:			
Accrued sick and vacation leave	981,796	-	981,796
Finance leases	663,908	-	663,908
MIF net OPEB liability - TRS	20,966,000	-	20,966,000
MIF net OPEB liability	9,707,084	2,571,547	12,278,631
CERS net pension liability	32,335,580	8,566,161	40,901,741
Bond obligations	<u>149,778,307</u>	<u>-</u>	<u>149,778,307</u>
Total noncurrent	<u>214,432,675</u>	<u>11,137,708</u>	<u>225,570,383</u>
Total liabilities	<u>230,385,787</u>	<u>11,155,664</u>	<u>241,541,451</u>
Deferred inflows	<u>26,276,120</u>	<u>2,970,517</u>	<u>29,246,637</u>
Net Position			
Invested in capital assets, net of related debt	72,382,511	574,047	72,956,558
Restricted	21,774,279	(9,418,284)	12,355,995
Unrestricted	<u>(47,890,350)</u>	<u>-</u>	<u>(47,890,350)</u>
Total net position	<u>\$ 46,266,440</u>	<u>\$ (8,844,237)</u>	<u>\$ 37,422,203</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

**Statement of Activities – District Wide
For The 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	\$ 30,675,076	\$ 25,895	\$ 15,390,441	\$ -	\$ (15,258,740)	\$ -	\$ (15,258,740)
Student support services	9,701,146	-	4,213,585	-	(5,487,561)	-	(5,487,561)
Staff support services	10,183,042	-	2,119,280	-	(8,063,762)	-	(8,063,762)
District administration	2,618,133	-	158,469	-	(2,459,664)	-	(2,459,664)
School administration	9,810,236	-	429,413	-	(9,380,823)	-	(9,380,823)
Business support services	2,945,689	-	637,326	-	(2,308,363)	-	(2,308,363)
Plant operation and maintenance	17,039,675	-	416,903	-	(16,622,772)	-	(16,622,772)
Student transportation	7,601,086	-	534,982	-	(7,066,104)	-	(7,066,104)
Food service operations	3,873	-	3,873	-	-	-	-
Community service operations	1,044,759	-	990,550	-	(54,209)	-	(54,209)
Facility acquisition and construction	245,165	-	-	-	(245,165)	-	(245,165)
Other	145,050	-	592	-	(144,458)	-	(144,458)
Interest on long-term debt	4,461,403	-	-	-	(4,461,403)	-	(4,461,403)
Total governmental activities	96,474,333	25,895	24,895,414	-	(71,553,024)	-	(71,553,024)
Business-type activities							
Food service	11,391,455	439,928	8,457,866	-	-	(2,493,661)	(2,493,661)
Total business-type activities	11,391,455	439,928	8,457,866	-	-	(2,493,661)	(2,493,661)
Total school district	\$ 107,865,788	\$ 465,823	\$ 33,353,280	\$ -	(71,553,024)	(2,493,661)	(74,046,685)
General revenues:							
Taxes					67,063,452	-	67,063,452
State and federal sources					20,424,929	-	20,424,929
Investment earnings					51,636	1,529	53,165
Other local sources (uses)					(2,591,032)	-	(2,591,032)
Activity fund income					2,472,307	-	2,472,307
District activity fund revenue					31,929	-	31,929
Special items:							
Gain/(Loss) on sale of assets					(176,689)	(2,549)	(179,238)
Fund transfer					330,405	(330,405)	-
Total general and special revenues					87,606,937	(331,425)	87,275,512
Change in net position					16,053,913	(2,825,086)	13,228,827
Net position - beginning					30,212,527	(6,019,151)	24,193,376
Net position - ending					\$ 46,266,440	\$ (8,844,237)	\$ 37,422,203

The accompanying notes are an integral part of these financial statements

BULLITT 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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Current:					
Cash and cash equivalents	\$ 22,007,567	\$ -	\$ 14,953,059	\$ 3,955,047	\$ 40,915,673
Interfund receivable	651,440	-	-	-	651,440
Accounts receivable	794,909	2,858,389	-	2,500	3,655,798
Prepaid expenses	-	-	-	2,624,046	2,624,046
Total assets	<u>\$ 23,453,916</u>	<u>\$ 2,858,389</u>	<u>\$ 14,953,059</u>	<u>\$ 6,581,593</u>	<u>\$ 47,846,957</u>
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	\$ 443,283	\$ 128,542	\$ 949,229	\$ 40,988	\$ 1,562,042
Unearned revenue	99,043	1,418,600	-	-	1,517,643
Interfund payable	-	651,440	-	-	651,440
Accrued payroll and related expenses	66,509	-	-	-	66,509
Total liabilities	<u>608,835</u>	<u>2,198,582</u>	<u>949,229</u>	<u>40,988</u>	<u>3,797,634</u>
Fund Balances					
Restricted:					
Capital projects	-	-	14,003,830	2,413,739	16,417,569
Debt service	-	-	-	2,625,772	2,625,772
Grants	-	659,807	-	-	659,807
Other	-	-	-	1,501,094	1,501,094
Committed:					
Sick leave	570,037	-	-	-	570,037
Assigned:					
Purchase obligations	286,302	-	-	-	286,302
Other	3,348,404	-	-	-	3,348,404
Unassigned	18,640,338	-	-	-	18,640,338
Total fund balances	<u>22,845,081</u>	<u>659,807</u>	<u>14,003,830</u>	<u>6,540,605</u>	<u>44,049,323</u>
Total liabilities and fund balances	<u>\$ 23,453,916</u>	<u>\$ 2,858,389</u>	<u>\$ 14,953,059</u>	<u>\$ 6,581,593</u>	<u>\$ 47,846,957</u>

The accompanying notes are an integral part of these financial statements

BULLITT 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		\$ 44,049,323
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	14,582,770	
Cost of capital assets	357,028,566	
Accumulated depreciation	<u>(136,740,220)</u>	
		234,871,116
Deferred outflows related to CERS	2,239,548	
Deferred outflows for CERS contributions made after the measurement date	2,363,062	
Deferred outflows related to MIF	13,653,958	
Deferred outflows for bond refinancing	<u>1,953,706</u>	
		20,210,274
Deferred inflows related to CERS	(6,089,458)	
Deferred inflows related to MIF	<u>(20,186,662)</u>	
		(26,276,120)
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		(159,640,000)
Bond discount		1,285,898
Bond premium		(2,019,205)
Accrued interest on bonds		(1,090,884)
Finance lease obligations		(1,024,414)
Net pension liability		(32,335,580)
Net OPEB liability - CERS		(9,707,084)
Net OPEB liability - TRS MIF		(20,966,000)
Accrued sick leave		<u>(1,090,884)</u>
Total net position - governmental		<u>\$ 46,266,440</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 54,125,612	\$ 126,550	\$ -	\$ 12,811,290	\$ 67,063,452
Earnings on investments	31,505	386	18,564	1,181	51,636
State sources	72,011,200	3,714,828	-	4,883,002	80,609,030
Federal sources	203,735	20,673,627	-	-	20,877,362
Other local sources	509,666	506,959	-	2,504,236	3,520,861
Total revenues	<u>126,881,718</u>	<u>25,022,350</u>	<u>18,564</u>	<u>20,199,709</u>	<u>172,122,341</u>
Expenditures					
Instructional	81,244,460	10,347,154	-	1,873,197	93,464,811
Student support services	5,346,154	4,213,585	-	25,350	9,585,089
Staff support services	7,930,471	2,119,280	-	128,199	10,177,950
District administration	2,253,061	158,469	-	-	2,411,530
School administration	9,297,286	429,413	-	-	9,726,699
Business support services	2,308,363	637,326	-	-	2,945,689
Plant operation and maintenance	9,359,493	416,903	-	-	9,776,396
Student transportation	7,235,577	534,982	-	58,597	7,829,156
Food service operation	-	3,873	-	-	3,873
Community service operations	-	990,550	-	54,209	1,044,759
Facility acquisition and construction	-	-	14,479,716	-	14,479,716
Other	-	592	-	-	592
Debt service:					
Principal	-	-	-	10,485,000	10,485,000
Interest	-	-	-	4,647,826	4,647,826
Other	-	-	-	144,458	144,458
Total expenditures	<u>124,974,865</u>	<u>19,852,127</u>	<u>14,479,716</u>	<u>17,416,836</u>	<u>176,723,544</u>
Excess (deficit) of revenues over expenditures	<u>1,906,853</u>	<u>5,170,223</u>	<u>(14,461,152)</u>	<u>2,782,873</u>	<u>(4,601,203)</u>
Other financing sources (uses)					
Proceeds from sale of bonds	-	-	-	24,410,000	24,410,000
Bond refunding	-	-	-	(24,069,683)	(24,069,683)
Bond discount	-	-	-	(195,859)	(195,859)
Finance lease proceeds	1,170,381	-	-	-	1,170,381
Operating transfers in	1,717,259	554,385	5,919,152	16,629,987	24,820,783
Operating transfers out	(1,082,846)	(5,806,915)	-	(17,600,617)	(24,490,378)
Total other financing sources (uses)	<u>1,804,794</u>	<u>(5,252,530)</u>	<u>5,919,152</u>	<u>(826,172)</u>	<u>1,645,244</u>
Net change in fund balance	3,711,647	(82,307)	(8,542,000)	1,956,701	(2,955,959)
Fund balance, July 1, 2021	<u>19,133,434</u>	<u>742,114</u>	<u>22,545,830</u>	<u>4,583,904</u>	<u>47,005,282</u>
Fund balance, June 30, 2022	<u>\$ 22,845,081</u>	<u>\$ 659,807</u>	<u>\$ 14,003,830</u>	<u>\$ 6,540,605</u>	<u>\$ 44,049,323</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

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

Net changes-governmental funds \$ (2,955,959)

Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.

Depreciation expense	(8,942,987)	
Capital outlays	15,622,324	
Retirement of capital assets	<u>(176,689)</u>	
		6,502,648

Bond and finance lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Bond principal paid	10,485,000
Bond proceeds	(24,410,000)
Refunded bond	21,980,000
Bond discount	195,858
Amortization of bond discount and premium, net	69,028
Finance lease principal paid	413,941
New finance leases	(1,170,381)

Deferred outflows related to pensions	(3,913,808)
Deferred outflows related to other post-retirement employee benefits	2,859,661

Deferred inflows related to pensions	(5,236,070)
Deferred inflows related to other post-retirement employee benefits	(6,730,264)

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.

	<u>17,964,259</u>
--	-------------------

Changes in net position of governmental activities \$ 16,053,913

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT
Statement of Net Position – Proprietary Funds
As of June 30, 2022

	Food Service	Total
Assets		
Current		
Cash and cash equivalents	\$ 1,419,615	\$ 1,419,615
Accounts receivable	631,796	631,796
Inventories for consumption	43,316	43,316
Total current	2,094,727	2,094,727
Noncurrent		
Furniture and Fixtures	4,439,759	4,439,759
Less: accumulated depreciation	(3,865,712)	(3,865,712)
Total noncurrent	574,047	574,047
Total assets	2,668,774	2,668,774
Deferred outflows	2,613,170	2,613,170
Liabilities and Net Position		
Liabilities		
Current		
Accounts payable	17,956	17,956
Total current	17,956	17,956
Noncurrent		
MIF net OPEB liability	2,571,547	2,571,547
CERS net pension liability	8,566,161	8,566,161
Total noncurrent	11,137,708	11,137,708
Total liabilities	11,155,664	11,155,664
Deferred inflows	2,970,517	2,970,517
Net Position		
Invested in assets, net of debt	574,047	574,047
Restricted	(9,418,284)	(9,418,284)
Total net position	\$ (8,844,237)	\$ (8,844,237)

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Food Service</u>	<u>Total</u>
Operating revenues		
Lunchroom sales	\$ 434,529	\$ 434,529
Other operating revenues	5,399	5,399
Total operating revenues	<u>439,928</u>	<u>439,928</u>
Operating expenses		
Salaries and benefits	7,907,765	7,907,765
Contract services	96,265	96,265
Materials and supplies	3,147,645	3,147,645
Depreciation	189,010	189,010
Other operating expenses	50,770	50,770
Total operating expenses	<u>11,391,455</u>	<u>11,391,455</u>
Operating income (loss)	<u>(10,951,527)</u>	<u>(10,951,527)</u>
Nonoperating revenues (expenses)		
Federal grants	7,492,143	7,492,143
State grants	476,939	476,939
Donated commodities and other donations	488,784	488,784
Loss on sale of assets	(2,549)	(2,549)
Transfers out	(330,405)	(330,405)
Interest income	1,529	1,529
Total nonoperating revenues	<u>8,126,441</u>	<u>8,126,441</u>
Change in net position	(2,825,086)	(2,825,086)
Total net position, July 1, 2021	<u>(6,019,151)</u>	<u>(6,019,151)</u>
Total net position, June 30, 2022	<u><u>\$ (8,844,237)</u></u>	<u><u>\$ (8,844,237)</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	\$ 434,529	\$ 434,529
Cash used in other activities	(158,056)	(158,056)
Cash payments to employees for services	(3,607,267)	(3,607,267)
Cash payments to suppliers for goods and services	(3,322,706)	(3,322,706)
Cash transfers	<u>(330,405)</u>	<u>(330,405)</u>
Net cash used in operating activities	<u>(6,983,905)</u>	<u>(6,983,905)</u>
Cash flows from capital financing activities		
Loss on capital assets	(2,549)	(2,549)
Purchase of capital assets	<u>(53,326)</u>	<u>(53,326)</u>
Net cash used in capital financing activities	<u>(55,875)</u>	<u>(55,875)</u>
Cash flows from noncapital financing activities		
Non-operating revenues received	<u>8,457,866</u>	<u>8,457,866</u>
Net cash provided by noncapital financing activities	<u>8,457,866</u>	<u>8,457,866</u>
Cash flows from investing activities		
Interest on investments	<u>1,529</u>	<u>1,529</u>
Net cash flows provided by investing activities	<u>1,529</u>	<u>1,529</u>
Net decrease in cash and cash equivalents	1,419,615	1,419,615
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
Cash and cash equivalents - ending	<u>\$ 1,419,615</u>	<u>\$ 1,419,615</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (10,951,527)	\$ (10,951,527)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	189,010	189,010
Loss on disposal of capital assets	2,549	2,549
Transfers	(330,405)	(330,405)
Changes in assets and liabilities:		
Decrease in accounts receivable	159,765	159,765
Decrease in accounts payable	(55,057)	(55,057)
Decrease in interfund payables	(323,220)	(323,220)
Increase in deferred outflows	(297,051)	(297,051)
Increase in deferred inflows	2,410,971	2,410,971
Increase in MIF net OPEB liability	427,581	427,581
Increase in CERS net pension liability	1,758,997	1,758,997
Decrease in inventories	<u>24,482</u>	<u>24,482</u>
Net cash used in operating activities	<u>\$ (6,983,905)</u>	<u>\$ (6,983,905)</u>
Schedule of non-cash transactions:		
Donated commodities received from federal government	<u>\$ 488,784</u>	<u>\$ 488,784</u>
On behalf payments	<u>\$ 472,239</u>	<u>\$ 472,239</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Bullitt 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 Bullitt County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all the funds and account groups relevant to the operation of the Bullitt 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:

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

BULLITT 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 pages 71-72. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

I. Governmental Fund Types (continued)

(E) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$14,003,830 for ongoing projects. This is a major fund of the District.

II. Debt Service Fund

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

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 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.

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).

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

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

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

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

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

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

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

Taxes

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

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:

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process (Continued)

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

Inventory are valued at cost, which approximates market. The Proprietary Fund uses the specific identification method and the general fund uses the first-in, first-out (FIFO) method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

Prepaid Items

Expenditures for insurance and similar services extending over more than one accounting period are allocated between or among accounting periods in the governmental funds.

Capital Assets

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Accumulated Unpaid Sick and Vacation Leave Benefits

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

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.

BULLITT 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.

BULLITT 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.

BULLITT 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	\$ 7,384,214	\$ -	\$ -	\$ 7,384,214
Land improvements	1,147,979	-	-	1,147,979
Buildings and improvements	317,021,377	3,191,224	-	320,212,601
Technology equipment	15,509,381	493,376	2,350,077	13,652,680
Vehicles	11,742,014	847,975	-	12,589,989
General equipment	2,029,273	46,422	34,592	2,041,103
Construction work in progress	<u>3,539,443</u>	<u>14,234,551</u>	<u>3,191,224</u>	<u>14,582,770</u>
Totals at historical cost	<u>358,373,681</u>	<u>18,813,548</u>	<u>5,575,893</u>	<u>371,611,336</u>
Less: accumulated depreciation				
Land improvements	234,379	57,399	-	291,778
Buildings and improvements	106,178,978	7,164,038	-	113,343,016
Technology equipment	13,308,201	978,061	2,178,870	12,107,392
Vehicles	8,899,256	642,193	-	9,541,449
General equipment	<u>1,384,399</u>	<u>101,296</u>	<u>29,110</u>	<u>1,456,585</u>
Total accumulated depreciation	<u>130,005,213</u>	<u>8,942,987</u>	<u>2,207,980</u>	<u>136,740,220</u>
Governmental activities capital assets - net	<u>\$ 228,368,468</u>	<u>\$ 9,870,561</u>	<u>\$ 3,367,913</u>	<u>\$ 234,871,116</u>
 <u>Business - Type Activities</u>				
General equipment	\$ 4,395,806	\$ 53,326	\$ 54,768	\$ 4,394,364
Technology equipment	<u>54,162</u>	<u>-</u>	<u>8,767</u>	<u>45,395</u>
Totals at historical cost	<u>4,449,968</u>	<u>53,326</u>	<u>63,535</u>	<u>4,439,759</u>
Less: accumulated depreciation				
General equipment	3,694,973	183,041	52,333	3,825,681
Technology equipment	<u>42,715</u>	<u>5,969</u>	<u>8,653</u>	<u>40,031</u>
Total accumulated depreciation	<u>3,737,688</u>	<u>189,010</u>	<u>60,986</u>	<u>3,865,712</u>
Business - type activities capital assets - net	<u>\$ 712,280</u>	<u>\$ (135,684)</u>	<u>\$ 2,549</u>	<u>\$ 574,047</u>

BULLITT 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	\$ 648,514	\$ -
Student support services	116,057	-
Staff support services	5,092	-
District administration	206,603	-
School administration	83,537	-
Plant operation and maintenance	7,263,279	-
Food service	-	189,010
Student transportation	619,905	-
Total	<u>\$ 8,942,987</u>	<u>\$ 189,010</u>

NOTE 5 ACCUMULATED UNPAID SICK AND VACATION LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2022, this amount totaled approximately \$1,140,074 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. 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>
July 1, 2010	\$ 9,065,000	1.00% - 3.00%
December 1, 2011	2,420,000	1.00% - 2.375%
February 1, 2012	1,135,000	1.00% - 2.375%
March 1, 2012	13,355,000	2.50% - 3.75%
December 1, 2012	23,675,000	2.00% - 2.125%
October 1, 2013	26,815,000	2.00% - 4.125%
July 1, 2014	48,595,000	5.50% - 5.00%
October 1, 2015	20,370,000	2.00% - 3.375%
January 1, 2016	7,890,000	2.00% - 3.00%
June 1, 2017	16,945,000	2.00% - 5.00%
October 1, 2017	14,110,000	3.00% - 5.00%
June 1, 2018	9,775,000	2.00% - 4.00%
December 29, 2020	19,830,000	1.625% - 4.00%
September 16, 2021	24,410,000	2.00% - 2.50%

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)

The District entered into "participation agreements" for certain bonds with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 16 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2022 for debt service (principal and interest) are reported in Note 16.

NOTE 7 RETIREMENT PLANS

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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.

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 \$3,593,128, which consisted of \$2,989,071 from the District and \$604,057 from the employees. The contributions have been contributed in full for fiscal years 2022.

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.

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

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

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

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 \$7,173,157, which consisted of \$1,776,920 from the District and \$5,396,237 from the employees. Total contributions for the year ended June 30, 2021 were \$10,327,814. The contributions have been contributed in full for fiscal years 2022 and 2021.

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

Medical Insurance Plan

Plan description

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

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

Funding policy

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

At June 30, 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	\$ 40,901,741
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>240,393,335</u>
	<u>\$281,295,076</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 0.641517%.

For the year ended June 30, 2022, the District recognized a reduction of pension expense of \$2,169,448 related to CERS. The District also recognized a reduction of expense of \$56,638,321 and a reduction of revenue of \$56,638,321 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	\$ 469,677	\$ 396,979
Net difference between projected and actual earnings on pension plan investments	1,586,715	7,038,231
Changes of assumptions	548,950	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	227,495	267,433
District contributions subsequent to the measurement date	<u>2,989,071</u>	<u>-</u>
Total	<u>\$ 5,821,908</u>	<u>\$ 7,702,643</u>

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

\$2,989,071 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, 2023. 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	\$ (516,528)
2024	(1,411,046)
2025	(1,235,098)
2026	(1,707,134)
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%

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

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 6-year period ending June 30, 2020, adopted by the board on September 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.

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 52,458,423	\$ 40,901,741	\$ 31,338,858
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 Bullitt County Schools are provided other post employment benefits (OPEB) through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky 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.

BULLITT 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.

BULLITT 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 Bullitt County Schools District reported a liability of \$33,244,631 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 0.98 percent for TRS, which was an increase of 0.02 percent from its proportion measured as of June 30, 2020. At June 30, 2021, the District's proportion was 0.64 percent for CERS, which was a decrease of 0.01 percent from its proportion measured as of June 30, 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	\$ 12,278,631
District's proportionate share of the TRS net OPEB liability	20,966,000
State's proportionate share of the net OPEB liability associated with the District	<u>17,027,000</u>
	<u>\$ 50,271,631</u>

BULLITT 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 \$1,083,608 and revenue of \$1,734,366 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual performance	\$ 1,930,818	\$ 16,133,991
Net difference between projected and actual earnings on OPEB plan investments	618,634	4,776,455
Change of assumptions	8,738,298	11,417
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,245,741	622,131
District contributions subsequent to the measurement date	<u>2,514,339</u>	<u>-</u>
Total	<u>\$ 15,047,830</u>	<u>\$ 21,543,994</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,514,339 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:

<u>Year ended June 30:</u>	
2023	\$ (1,883,390)
2024	(2,186,120)
2025	(2,051,022)
2026	(2,604,971)
2027	(380,000)
Thereafter	95,000

BULLITT 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 wage inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
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 2022 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 a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

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

BULLITT 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.

BULLITT 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 (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
TRS			
Districts' net OPEB liability	\$ 26,841,000	\$ 20,966,000	\$ 16,108,000
	<u>1% Decrease (4.20%)</u>	<u>Current Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
CERS			
Districts' net OPEB liability	\$ 16,858,468	\$ 12,278,631	\$ 8,520,116

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	\$ 15,232,000	\$ 20,966,000	\$ 28,102,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 8,839,155	\$ 12,278,631	\$ 16,460,132

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.

BULLITT 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 Bullitt School County 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>226,000</u>
	\$	<u><u>226,000</u></u>

For the year ended June 30, 2022, the District recognized OPEB expense of \$-0- and revenue of \$34,687 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

BULLITT 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>	

BULLITT 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 COMMITMENTS AND CONTINGENCIES

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2022 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue the programs.

NOTE 10 INSURANCE AND RELATED ACTIVITIES

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

BULLITT 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 Food Service Fund currently has a deficit fund balance of \$8,844,237. The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Food Service Fund	\$ 2,825,086
School Activity Fund	29,196
Construction Fund	8,542,000
Special Revenue Fund	82,307

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).

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Special Revenue	Technology Match	\$ 243,151
General	Debt Service	Debt Service	839,695
School Activity	Special Revenue	Special Revenue	311,234
School Activity	District Activity	School Activity	480,685
Capital Outlay	General	Cap Funds Request	270,925
Capital Outlay	Construction	Construction	932,602
Food Service	General	Indirect Costs	330,405
Building	Construction	Construction	295,564
Building	Debt Service	Debt Service	15,309,607
Special Revenue	General	Indirect Costs	829,438
Special Revenue	General	Fund Transfer	286,491
Special Revenue	Construction	Construction	4,690,986

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2022 total payments of \$34,027,670 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	\$ 32,714,836
Debt Service	885,595
Food Service	<u>427,239</u>
Total On-Behalf	<u><u>\$ 34,027,670</u></u>

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2009, 2010, 2011, 2012, 2012-2nd Series, 2012-3rd Series, 2013, 2014, 2015, 2016, 2017, 2017-Ref,
2018, 2020 and 2021-Ref Issues

FISCAL YEAR	BULLITT COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2022-2023	\$ 9,958,294	\$ 4,869,122	\$ 14,827,416	\$ 636,706	\$ 201,507	\$ 838,213	\$ 15,665,629
2023-2024	10,283,353	4,210,334	14,493,687	656,647	120,380	777,027	15,270,714
2024-2025	10,620,443	3,592,311	14,212,754	674,557	43,848	718,405	14,931,159
2025-2026	10,980,204	3,091,143	14,071,347	689,796	40,455	730,251	14,801,598
2026-2027	11,369,063	2,556,225	13,925,288	705,937	36,862	742,799	14,668,087
2027-2028	11,746,584	1,823,794	13,570,378	723,416	32,839	756,255	14,326,633
2028-2029	11,998,178	1,518,360	13,516,538	741,822	28,995	770,817	14,287,355
2029-2030	12,428,591	1,334,607	13,763,198	756,409	25,714	782,123	14,545,321
2030-2031	8,743,193	1,169,037	9,912,230	761,807	23,544	785,351	10,697,581
2031-2032	8,980,252	1,015,126	9,995,378	779,748	22,094	801,842	10,797,220
2032-2033	9,231,863	863,548	10,095,411	798,137	20,760	818,897	10,914,308
2033-2034	8,689,195	730,696	9,419,891	725,805	19,713	745,518	10,165,409
2034-2035	5,096,947	564,309	5,661,256	388,053	17,542	405,595	6,066,851
2035-2036	5,292,934	319,649	5,612,583	367,066	13,830	380,896	5,993,479
2036-2037	4,973,791	217,212	5,191,003	246,209	11,451	257,660	5,448,663
2037-2038	5,191,941	136,318	5,328,259	223,059	8,945	232,004	5,560,263
2038-2039	1,241,801	79,817	1,321,618	133,199	6,308	139,507	1,461,125
2039-2040	1,264,111	38,483	1,302,594	135,889	3,617	139,506	1,442,100
2040-2041	1,292,135	12,921	1,305,056	112,865	1,129	113,994	1,419,050
	<u>\$ 149,382,873</u>	<u>\$ 28,143,012</u>	<u>\$ 177,525,885</u>	<u>\$ 10,257,127</u>	<u>\$ 679,533</u>	<u>\$ 10,936,660</u>	<u>\$ 188,462,545</u>

There was a bond refinanced in the current year. Total payments to close the existing bond were \$21,980,000 for the refinanced total bond of \$24,410,000.

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

Governmental Activities	Balance July 1, 2021	Additions	Payments	Balance June 30, 2022
Bond Obligations	<u>\$ 167,695,000</u>	<u>\$ 24,410,000</u>	<u>\$ 32,465,000</u>	<u>\$ 159,640,000</u>
Bond premiums	<u>2,248,783</u>	<u>-</u>	<u>229,578</u>	<u>2,019,205</u>
Bond discounts	<u>1,250,590</u>	<u>195,858</u>	<u>160,550</u>	<u>1,285,898</u>
Finance leases	<u>267,974</u>	<u>1,170,381</u>	<u>413,941</u>	<u>1,024,414</u>
Sick Leave	<u>1,218,997</u>	<u>392,844</u>	<u>520,957</u>	<u>1,090,884</u>

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 17 TAX ABATEMENTS

The District entered into a property tax abatement agreement with a local distillery. For the fiscal year ended June 30, 2022, the District abated property taxes totaling \$869,744 under the property tax abatement agreement. The distillery has agreed to pay the District in-lieu of payments beginning on January 1, 2018 and continuing annually for so long as the property tax abatement agreement is in place. The amount received during the year ended June 30, 2022 was \$150,000. The distillery will make annual in-lieu of payments as follows:

Year Ending June 30,	
2023	\$100,000
2024	75,000
2025	<u>75,000</u>
	<u>\$250,000</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 of 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 November 15, 2022, which represents the release date of our report.

SUPPLEMENTARY
INFORMATION

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Capital Outlay Fund</u>	<u>District Activity Fund</u>	<u>Building Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ -	\$ 737,218	\$ 2,413,739	\$ 1,726	\$ 802,364	\$ 3,955,047
Accounts receivable	-	-	-	-	2,500	2,500
Prepaid expenses	-	-	-	2,624,046	-	2,624,046
Total assets	<u>\$ -</u>	<u>\$ 737,218</u>	<u>\$ 2,413,739</u>	<u>\$ 2,625,772</u>	<u>\$ 804,864</u>	<u>\$ 6,581,593</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ 40,892	\$ -	\$ -	\$ 96	\$ 40,988
Total liabilities	-	40,892	-	-	96	40,988
Fund Balances:						
Restricted:						
Capital projects	-	-	2,413,739	-	-	2,413,739
Debt service fund	-	-	-	2,625,772	-	2,625,772
Other	-	696,326	-	-	804,768	1,501,094
Total fund balances	-	696,326	2,413,739	2,625,772	804,768	6,540,605
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 737,218</u>	<u>\$ 2,413,739</u>	<u>\$ 2,625,772</u>	<u>\$ 804,864</u>	<u>\$ 6,581,593</u>

BULLITT COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2022**

	Capital Outlay Fund	District Activity Fund	Building Fund	Debt Service Fund	School Activity Fund	Total Nonmajor Government Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 12,811,290	\$ -	\$ -	\$ 12,811,290
Earnings on investments	-	-	-	-	1,181	1,181
State sources	1,203,527	-	2,793,881	885,594	-	4,883,002
Other sources	-	31,929	-	-	2,472,307	2,504,236
Total revenues	1,203,527	31,929	15,605,171	885,594	2,473,488	20,199,709
Expenditures:						
Instructional	-	342,506	-	-	1,530,691	1,873,197
Student support services	-	-	-	-	25,350	25,350
Staff support services	-	86,281	-	-	41,918	128,199
Student transportation	-	-	-	-	58,597	58,597
Community service operations	-	-	-	-	54,209	54,209
Debt service:						
Principal	-	-	-	10,485,000	-	10,485,000
Interest	-	-	-	4,647,826	-	4,647,826
Bond costs	-	-	-	144,458	-	144,458
Total expenditures	-	428,787	-	15,277,284	1,710,765	17,416,836
Excess (deficit) of revenues over expenditures	1,203,527	(396,858)	15,605,171	(14,391,690)	762,723	2,782,873
Other Financing Sources (Uses)						
Proceeds from sale of bonds	-	-	-	24,410,000	-	24,410,000
Bond refunding	-	-	-	(24,069,683)	-	(24,069,683)
Bond discount	-	-	-	(195,859)	-	(195,859)
Operating transfers in	-	480,685	-	16,149,302	-	16,629,987
Operating transfers out	(1,203,527)	-	(15,605,171)	-	(791,919)	(17,600,617)
Total other financing sources(uses)	(1,203,527)	480,685	(15,605,171)	16,293,760	(791,919)	(826,172)
Net change in fund balance	-	83,827	-	1,902,070	(29,196)	1,956,701
Fund balance, July 1, 2021	-	612,499	2,413,739	723,702	833,964	4,583,904
Fund balance, June 30, 2022	\$ -	\$ 696,326	\$ 2,413,739	\$ 2,625,772	\$ 804,768	\$ 6,540,605

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 52,092,000	\$ 52,092,000	\$ 54,125,612	\$ 2,033,612
Earnings on investments	75,000	75,000	31,505	(43,495)
State sources	69,383,578	69,383,578	72,011,200	2,627,622
Federal sources	155,000	155,000	203,735	48,735
Other sources	713,000	713,000	3,397,306	2,684,306
	<u>122,418,578</u>	<u>122,418,578</u>	<u>129,769,358</u>	<u>7,350,780</u>
Expenditures				
Instructional	81,557,031	80,816,583	81,244,460	(427,877)
Student support services	5,112,532	5,098,963	5,346,154	(247,191)
Staff support services	7,390,412	7,697,755	7,930,471	(232,716)
District administration	2,922,621	2,952,396	2,253,061	699,335
School administration	10,228,436	10,237,482	9,297,286	940,196
Business support services	2,691,759	2,721,759	2,308,363	413,396
Plant operation and maintenance	10,834,107	10,835,760	9,359,493	1,476,267
Student transportation	8,290,474	8,666,674	7,235,577	1,431,097
Debt service	839,694	839,694	-	839,694
Other	6,051,512	6,051,512	1,082,846	4,968,666
	<u>135,918,578</u>	<u>135,918,578</u>	<u>126,057,711</u>	<u>9,860,867</u>
Net change in fund balance	(13,500,000)	(13,500,000)	3,711,647	17,211,647
Fund balance, July 1, 2021	<u>13,500,000</u>	<u>13,500,000</u>	<u>19,133,434</u>	<u>5,633,434</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,845,081</u>	<u>\$ 22,845,081</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ 126,550	\$ 126,550
Earnings on investments	-	176	386	210
State sources	3,774,001	3,694,665	3,714,828	20,163
Federal sources	5,653,433	7,382,592	20,673,627	13,291,035
Other sources	<u>293,243</u>	<u>552,277</u>	<u>1,061,344</u>	<u>509,067</u>
Total revenues	<u>9,720,677</u>	<u>11,629,710</u>	<u>25,576,735</u>	<u>13,947,025</u>
Expenditures				
Instructional	5,000,968	7,549,819	10,347,154	(2,797,335)
Student support services	20,582	653,446	4,213,585	(3,560,139)
Staff support services	2,794,528	1,235,627	2,119,280	(883,653)
District administration	-	166,879	158,469	8,410
School administration	174,908	333,125	429,413	(96,288)
Business support services	486,300	486,478	637,326	(150,848)
Plant operation and maintenance	76,318	123,626	416,903	(293,277)
Student transportation	216,517	58,756	534,982	(476,226)
Food service operation	-	25,000	3,873	21,127
Community service operations	950,556	977,782	990,550	(12,768)
Other	<u>-</u>	<u>40,859</u>	<u>5,807,507</u>	<u>(5,766,648)</u>
Total expenditures	<u>9,720,677</u>	<u>11,651,397</u>	<u>25,659,042</u>	<u>(14,007,645)</u>
Net change in fund balance	-	(21,687)	(82,307)	(60,620)
Fund balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>742,114</u>	<u>742,114</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ (21,687)</u>	<u>\$ 659,807</u>	<u>\$ 681,494</u>

BULLITT COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
For the 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	\$ -	\$ -	\$ 18,564	\$ 18,564
Other sources	-	-	5,919,152	5,919,152
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	5,937,716	5,937,716
Expenditures				
Facility acquisition and construction	-	-	14,479,716	14,479,716
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	14,479,716	14,479,716
Net change in fund balance	-	-	(8,542,000)	(8,542,000)
Fund balance, July 1, 2021	-	-	22,545,830	22,545,830
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,003,830</u>	<u>\$ 14,003,830</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Issue of 2010</u>	<u>Issue of 2011</u>	<u>Issue of 2012</u>	<u>Issue of 2012 - 2nd Series</u>	<u>Issue of 2012 - 3rd Series</u>	<u>Issue of 2013</u>	<u>Issue of 2014</u>	<u>Issue of 2015</u>
Cash at July 1, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	2,207,625	266,175	113,597	826,022	2,552,469	544,200	2,003,248	1,199,125
Disbursements:								
Bonds paid	2,175,000	260,000	105,000	610,000	2,375,000	510,000	530,000	705,000
Interest coupons	32,625	6,175	8,597	216,022	177,469	34,200	1,473,248	494,125
Total disbursements	2,207,625	266,175	113,597	826,022	2,552,469	544,200	2,003,248	1,199,125
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2022	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Issue of 2016</u>	<u>Issue of 2017 - Ref</u>	<u>Issue of 2017</u>	<u>Issue of 2018</u>	<u>Issue of 2020</u>	<u>Issue of 2021 - Ref</u>	<u>Total</u>	
Cash at July 1, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Receipts:								
Transfers and miscellaneous deposits	519,950	2,175,750	590,569	520,550	828,075	785,471	15,132,826	
Disbursements:								
Bonds paid	370,000	1,640,000	70,000	205,000	385,000	545,000	10,485,000	
Interest coupons	149,950	535,750	520,569	315,550	443,075	240,471	4,647,826	
Total disbursements	519,950	2,175,750	590,569	520,550	828,075	785,471	15,132,826	
Excess of receipts over disbursements	-	-	-	-	-	-	-	
Cash at June 30, 2022	-	-	-	-	-	-	-	
Fund Balance at June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

BULLITT COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Bullitt Central High School Activity Fund
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>	<u>Accounts Receivable June 30, 2022</u>	<u>Accounts Payable June 30, 2022</u>	<u>Due to Student Groups June 30, 2022</u>
Agriculture Class fee	\$ 51	\$ -	\$ -	51	\$ -	\$ -	\$ 51
Annual (Yearbook)	9,873	8,883	269	18,487	-	-	18,487
Archery	1,129	18,790	17,766	2,153	-	-	2,153
Art	189	590	696	83	-	-	83
Athletic cokes	2,112	21,092	20,267	2,937	-	-	2,937
Athletic Supplies	753	378	1,131	-	-	-	-
Athletics	2,879	86,606	87,697	1,788	-	-	1,788
Background check	-	100	100	-	-	-	-
Band	1,614	195	-	1,809	-	-	1,809
Baseball	-	1,093	-	1,093	-	-	1,093
BC Music	1,124	1,579	2,703	-	-	-	-
BCHS School Store	367	1,959	1,344	982	-	-	982
BETA	6,539	12,531	13,679	5,391	-	-	5,391
Biology Lab	2,668	-	714	1,954	-	-	1,954
Cheerleading	299	-	-	299	-	-	299
Chemistry (Lab Fee)	2,605	-	118	2,487	-	-	2,487
Choir	636	194	548	282	-	-	282
Cougar Crazyes	-	1,550	948	602	-	-	602
Cougar Creations (Design)	275	885	1,160	-	-	-	-
Cross Country Boys/Girls	2,336	2,666	4,601	401	-	-	401
Dance	180	-	-	180	-	-	180
District Chromebooks	-	26,050	26,050	-	-	-	-
DistrictToum.Host School	-	763	763	-	-	-	-
Drama	11,121	875	2,641	9,355	-	-	9,355
FACS-Food	472	9,967	6,310	4,129	-	-	4,129
FBLA	2,178	925	1,213	1,890	-	-	1,890
FCCLA	554	1,901	1,894	561	-	-	561
FFA	3,021	12,691	11,878	3,834	-	-	3,834

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Due to Student Groups June 30, 2022
Field Trip (Students)	95	-	95	-	-	-	-
Floral Design	393	-	-	393	-	-	393
Fund 22	-	56,353	56,353	-	-	-	-
General	1,289	162	1,245	206	-	-	206
Green House	23,392	22,249	42,285	3,356	-	-	3,356
Guidance	1,923	910	1,528	1,305	-	-	1,305
Hall of Fame	2,236	-	-	2,236	-	-	2,236
Health Science Class Fee	3,701	6,381	6,485	3,597	-	-	3,597
Homecoming	4	436	436	4	-	-	4
HOSA	-	909	754	155	-	-	155
Junior	18,348	18,290	16,800	19,838	-	-	19,838
KYCID-Student	1,666	626	1,916	376	-	-	376
Library	2,358	513	750	2,121	-	-	2,121
Math Department (Fees)	1,906	-	960	946	-	-	946
National Honor	3,804	2,223	1,708	4,319	-	-	4,319
Non-student generated	259	2,342	1,015	1,586	-	-	1,586
Parking lot	-	3,650	3,650	-	-	-	-
Playoffs	-	2,016	2,016	-	-	-	-
Project Lead The Way	968	630	658	940	-	-	940
Regional Tournaments	-	2,906	2,906	-	-	-	-
Robotics	1,087	-	-	1,087	-	-	1,087
ROTC	3,639	29,715	18,864	14,490	-	-	14,490
ROTC SB	12,181	-	12,181	-	-	-	-
Senior Dues	1,038	1,295	1,904	429	-	-	429
Senior Trip	6,565	27,902	33,031	1,436	-	-	1,436
Special Ed	1,101	-	1,101	-	-	-	-
Tennis Boys/Girls	220	-	-	220	-	-	220
Wood Shop	20	2,295	-	2,315	-	-	2,315
Wrestling	3	-	-	3	-	-	3
Total	\$ 141,171	\$ 394,066	\$ 413,131	\$ 122,106	\$ -	\$ -	\$ 122,106

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Due to Students & Others June 30, 2022
Academic Club	\$ 470	\$ 428	\$ -	898	\$ -	\$ -	\$ 898
Archery	2,476	13,900	16,260	116	-	-	116
Art Class	-	720	720	-	-	-	-
Art Club	11	-	-	11	-	-	11
Athletic	11,257	43,422	44,279	10,400	-	-	10,400
Background Check	-	60	60	-	-	-	-
Band	135	1,045	895	285	-	-	285
Baseball	2,643	93,183	81,248	14,578	-	-	14,578
Basketball-Boys	14,982	45,552	52,628	7,906	-	-	7,906
Basketball-Girls	9,217	79,026	83,893	4,350	-	-	4,350
Bass Fishing	1,464	2,792	3,034	1,222	-	-	1,222
Beta Club	723	6,479	5,816	1,386	-	-	1,386
Beta Club Scholarships	74	1	-	75	-	-	75
Biology	-	2,320	2,320	-	-	-	-
Bowling	138	1,562	428	1,272	-	-	1,272
Business	73	-	-	73	-	-	73
Charger Camp	9,490	17,427	9,154	17,763	-	-	17,763
Cheerleaders	24,170	40,766	53,129	11,807	-	-	11,807
Chemistry	-	1,940	1,940	-	-	-	-
Chess Club	270	-	-	270	-	-	270
Chorus	4,970	9,115	9,704	4,381	-	-	4,381
Coke	1,839	424	-	2,263	-	-	2,263
Cross Country	950	895	1,213	632	-	-	632
Dance	-	960	814	146	-	-	146
Dist Chromebooks-Repairs	-	810	810	-	-	-	-
District Chromebooks	-	38,941	38,941	-	-	-	-
District Fund 22	-	50,505	50,505	-	-	-	-
Drama	958	75	234	799	-	-	799
Early Childhood	5	-	-	5	-	-	5
East Area Running Club	2,002	10,536	7,787	4,751	-	-	4,751
East Region Music Festival	45	-	-	45	-	-	45
Ecology Club	43	57	-	100	-	-	100
EMT	-	18	-	18	-	-	18
Engineering Class	205	1,133	1,338	-	-	-	-
English	313	4,528	4,215	626	-	-	626
Faculty Lounge	267	256	189	334	-	-	334
Faculty Sunshine	-	624	205	419	-	-	419
Family Consumer Science	5	10,975	7,580	3,400	-	-	3,400
FBLA Club	2,283	25,552	25,559	2,276	-	-	2,276
FCA Club	240	1,328	1,472	96	-	-	96
FCCLA Club	430	4,574	1,141	3,863	-	-	3,863
FFA Club	1,385	8,921	9,464	842	-	-	842
FFA-Greenhouse	6,063	60	1,040	5,083	-	-	5,083
Financial Services	196	-	55	141	-	-	141
Football	7,593	52,754	57,004	3,343	-	-	3,343

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Due to Students & Others June 30, 2022
General Funds	5,347	840	1,943	4,244	-	-	4,244
Golf-Boys	4,256	26,807	25,394	5,669	-	-	5,669
Golf-Girls	239	8,895	7,244	1,890	-	-	1,890
Guidance	11,298	16,021	18,773	8,546	-	-	8,546
Halloween in the Halls	2,029	1,896	2,026	1,899	-	-	1,899
HAVPA	-	215	215	-	-	-	-
Health & PE	-	1,660	1,282	378	-	-	378
Health Science	340	1,069	1,153	256	-	-	256
HOSA	92	2,025	380	1,737	-	-	1,737
Houses - Tharrhountes	77	-	77	-	-	-	-
Houses-Class 2022	43	345	388	-	-	-	-
Houses-Spero	213	3,450	3,212	451	-	-	451
Journalism	4,208	4,919	5,745	3,382	-	-	3,382
JR. Class	6,258	26,440	28,079	4,619	-	-	4,619
Law Enforcement	234	-	-	234	-	-	234
Law Enforcement Club	130	15	-	145	-	-	145
Library	83	93	-	176	-	-	176
Marching Band	-	20,465	20,365	100	-	-	100
MSD Class	181	700	881	-	-	-	-
NHS Club	1,093	2,250	2,679	664	-	-	664
NHS Scholarships	301	5,181	5,382	100	-	-	100
Parking Permits	-	7,025	7,025	-	-	-	-
Physics	-	600	600	-	-	-	-
Pictures	1,654	2,076	2,075	1,655	-	-	1,655
Pink Out	101	3,816	3,856	61	-	-	61
Project Unify	3,093	592	261	3,424	-	-	3,424
RZR Club	311	-	-	311	-	-	311
Science	-	3,190	3,145	45	-	-	45
Sci-fi Clubs	2,208	-	729	1,479	-	-	1,479
Slam Class	1,391	3,306	4,156	541	-	-	541
Slam Class-Serv. Project	-	-	-	-	-	-	-
Soccer-Boys	4,978	5,282	8,056	2,204	-	-	2,204
Soccer-Girls	15,940	9,566	17,048	8,458	-	-	8,458
Softball	11,904	12,976	3,063	21,817	-	-	21,817
SR. Class	1,367	26,788	24,568	3,587	-	-	3,587
Start Up Account	-	2,600	2,600	-	-	-	-
Swim Team	1,705	-	-	1,705	-	-	1,705
Tennis-Boys	780	78	466	392	-	-	392
Tennis-Girls	55	202	257	-	-	-	-
Textbook Fines	125	3,000	3,125	-	-	-	-
Track	3,812	8,889	5,273	7,428	-	-	7,428
Volleyball	17,690	18,741	17,747	18,684	-	-	18,684
Wrestling	1,376	588	1,132	832	-	-	832
Yearbook	27,613	20,625	32,648	15,590	-	-	15,590
Total	\$ 239,910	\$ 826,890	\$ 838,122	\$ 228,678	\$ -	\$ -	\$ 228,678

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Due to Students & Others June 30, 2022
Academic Team	\$ 1,518	\$ -	\$ 23	\$ 1,495	\$ -	\$ -	\$ 1,495
Agriculture department	328	1,129	1,024	433	-	-	433
Allied Health	-	1,542	1,045	497	-	-	497
Archery	2,271	2,625	2,331	2,565	-	-	2,565
Art History	926	-	104	822	-	-	822
Athletic Start Up	-	-	2,500	(2,500)	-	-	(2,500)
Athletics	1,430	13,261	7,694	6,997	-	-	6,997
Background Checks	-	110	110	-	-	-	-
Band/Choir	300	11,589	11,069	820	-	-	820
Baseball	6,320	11,422	10,709	7,033	-	-	7,033
Basektball (Girls)	2,670	6,771	8,128	1,313	-	-	1,313
Basketball (Boys)	6,672	13,356	11,849	8,179	-	-	8,179
Beta Club	1,042	1,140	1,418	764	-	-	764
Bowling	-	6,947	6,223	724	-	-	724
Cheerleading	-	11,372	8,725	2,647	-	-	2,647
Chess	143	1,760	1,304	599	-	-	599
Chromebook Repairs	-	705	705	-	-	-	-
Chromebooks	-	12,145	12,145	-	-	-	-
Counselors	9,630	3,718	5,444	7,904	-	-	7,904
Cross Country	5	460	352	113	-	-	113
Dance	272	-	100	172	-	-	172
Drama Club	1,478	-	-	1,478	-	-	1,478
Educators Rising	696	-	170	526	-	-	526
FBLA: Future Business L	518	14	40	492	-	-	492
FCA	75	-	-	75	-	-	75
FFA	2,278	5,576	5,304	2,550	-	-	2,550
Football	2,379	28,435	27,404	3,410	-	-	3,410

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2021	Receipts	Disbursements	Fund Balance June 30, 2022	Accounts Receivable June 30, 2022	Accounts Payable June 30, 2022	Due to Students & Others June 30, 2022
General Fund	\$ 288	\$ 125	\$ -	\$ 413	\$ -	\$ -	\$ 413
Golf (Boys)	453	400	170	683	-	-	683
Golf (Girls)	603	500	34	1,069	-	-	1,069
International Club	271	-	112	159	-	-	159
JROTC	2,884	7,951	10,633	202	-	-	202
Library	68	116	58	126	-	-	126
Math Department	320	-	-	320	-	-	320
NBHS Family	185	-	-	185	-	-	185
NBHS School Store	2,787	-	2,787	-	-	-	-
North Area Music	1,274	-	1,274	-	-	-	-
PBIS / RTI	1,135	9,291	7,190	3,236	-	-	3,236
Physical Education Dept	-	-	-	-	-	-	-
Prom	11	25,315	21,252	4,074	-	-	4,074
School Fees	-	6,085	6,085	-	-	-	-
Science Dept	-	1,439	1,187	252	-	-	252
Senior NY Trip	-	48,375	48,080	295	-	-	295
Seniors	6,778	1,299	5,946	2,131	-	-	2,131
Soccer (Boys)	1,564	761	1,400	925	-	-	925
Soccer (Girls)	1,865	11,079	12,052	892	-	-	892
Softball	8,037	9,500	8,127	9,410	-	-	9,410
Special Ed Department	523	17	42	498	-	-	498
SSA - Student Community	-	92	-	92	-	-	92
Swim	4,834	3,458	2,821	5,471	-	-	5,471
Teacher Fund	21	629	297	353	-	-	353
Tennis (Boys)	411	-	45	366	-	-	366
Tennis (Girls)	78	-	45	33	-	-	33
Track	1,023	241	550	714	-	-	714
Visual Arts	-	535	532	3	-	-	3
Volleyball	5,235	13,538	8,389	10,384	-	-	10,384
Weight Lifting	-	1,862	1,767	95	-	-	-
Wrestling	158	195	270	83	-	-	83
Yearbook	186	430	-	616	-	-	616
Youth Service Center	503	-	500	3	-	-	3
Total	\$ 82,446	\$ 277,310	\$ 267,565	\$ 92,191	\$ -	\$ -	\$ 92,096

BULLITT COUNTY SCHOOL DISTRICT

**Combining Statement of Receipts, Disbursements and Due to Student/Groups
School Activity Funds
For the Year Ended June 30, 2022**

	Cash Balance 7/1/2021	Receipts	Disbursements	Cash Balance 6/30/2022	Accounts Receivable 6/30/2022	Accounts Payable 6/30/2022	Due To Students & Others 6/30/2022
Bernheim Middle	\$ 35,565	\$ 82,457	\$ 79,104	\$ 38,918	\$ -	\$ -	\$ 38,918
Brooks Elementary	6,167	54,291	54,715	5,743	-	-	5,743
Bullitt Central High	141,172	394,066	413,131	122,107	-	-	122,107
Bullitt East High	239,910	826,890	838,122	228,678	-	-	228,678
Bullitt Lick Middle	33,440	52,150	66,844	18,746	-	-	18,746
Cedar Grove Elementary	12,078	55,747	55,156	12,669	-	-	12,669
Crossroads Elementary	12,247	56,772	55,015	14,004	-	-	14,004
Eastside Middle	23,240	84,981	89,765	18,456	-	-	18,456
Freedom Elementary	6,227	49,534	48,504	7,257	-	-	7,257
Hebron Middle	40,387	72,717	77,321	35,783	-	-	35,783
Lebanon Junction Elementary	788	31,542	31,623	707	-	-	707
Maryville Elementary	4,557	30,576	33,898	1,235	-	-	1,235
Mt. Washington Elementary	2,627	79,016	76,913	4,730	-	-	4,730
Mt. Washington Middle	67,477	101,153	87,822	80,808	-	-	80,808
Nichols Elementary	2,343	10,113	11,305	1,151	-	-	1,151
North Bullitt High	82,445	277,310	267,565	92,190	-	-	92,190
Old Mill Elementary	29,215	79,524	84,391	24,348	-	-	24,348
Overdale Elementary	21,263	37,163	39,300	19,126	-	-	19,126
Pleasant Grove Elementary	12,001	44,971	42,139	14,833	-	-	14,833
Riverview Opportunity Center	8,171	30,160	30,063	8,268	-	-	8,268
Roby Elementary	19,349	33,854	37,557	15,646	-	-	15,646
Shepherdsville Elementary	12,595	36,227	35,350	13,472	-	-	13,472
Zoneton Middle	21,780	111,731	107,623	25,888	-	-	25,888
Total	\$ 835,044	\$ 2,632,945	\$ 2,663,226	\$ 804,763	\$ -	\$ -	\$ 804,763

BULLITT 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	240,393,335	255,049,121	247,824,359	273,873,661	488,866,344	529,331,646	410,921,649	344,145,200	*	*
Total	\$240,393,335	\$255,049,121	\$247,824,359	\$273,873,661	\$488,866,344	\$529,331,646	\$410,921,649	\$344,145,200	*	*
District's covered-employee payroll	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	\$ 55,245,952	\$ 53,215,974	\$ 51,117,804	*	*
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%	58.80%	59.30%	39.80%	35.20%	42.50%	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 4.20% to 4.49%

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

BULLITT 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	\$ 1,776,920	\$ 2,380,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*
Contributions in relation to the contractually required contribution	(1,776,920)	(2,380,278)	-	-	-	-	-	-	*	*
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	\$41,948,866	\$61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	\$55,245,952	\$53,215,974	\$51,117,804	*
Contributions as a percentage of covered-employee payroll	4.24%	3.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	* *

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

BULLITT 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	0.641517%	0.649098%	0.643428%	0.639520%	0.648925%	0.663291%	0.650633%	0.635878%	*	*
District's proportionate share of the net pension liability	\$ 40,901,741	\$ 49,785,279	\$ 45,252,578	\$ 38,792,318	\$ 37,983,575	\$ 32,657,910	\$ 27,974,140	\$ 20,630,000	*	*
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	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	\$ 15,919,816	\$ 15,235,820	\$ 14,728,096	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.54%	294.70%	274.91%	242.85%	238.05%	205.14%	183.61%	140.07%	*	*
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%.

BULLITT COUNTY SCHOOL DISTRICT
Schedule of District Contributions – CERS

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,989,071	\$ 4,007,953	\$ 3,260,509	\$ 2,669,983	\$ 2,312,994	\$ 2,225,922	\$ 1,977,241	\$ 1,942,567	*	*
Contributions in relation to the contractually required contribution	<u>(2,989,071)</u>	<u>(4,007,953)</u>	<u>(3,260,509)</u>	<u>(2,669,983)</u>	<u>(2,312,994)</u>	<u>(2,225,922)</u>	<u>(1,977,241)</u>	<u>(1,942,567)</u>	*	*
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*	*
District's covered-employee payroll	\$11,101,123	\$16,658,153	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	\$15,919,816	\$15,235,820	\$14,728,096	*
Contributions as a percentage of covered-employee payroll	26.93%	24.06%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*	*	*
Total net OPEB liability	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*	*	*
District's covered-employee payroll	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,813,419	\$ 56,459,099	*	*	*	*	*
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%	75.00%	80.00%	*	*	*	*	*

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

Changes of benefit terms - None.

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	3.50%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.45%
Discount rate	7.50%

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ -	\$ -	\$ -	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*

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

BULLITT 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	0.977103%	0.956660%	0.960568%	0.931174%	0.950194%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 20,966,000	\$ 24,144,000	\$ 28,114,000	\$32,309,000	\$33,882,000	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 17,027,000	\$ 19,340,000	\$ 22,704,000	\$27,844,000	\$27,677,000	*	*	*	*	*
Total net OPEB liability	\$ 37,993,000	\$ 43,484,000	\$ 50,818,000	\$60,153,000	\$61,559,000	*	*	*	*	*
District's covered-employee payroll	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$56,459,099	\$55,892,348	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	33.9%	41.9%	49.5%	57.2%	60.6%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.74%	39.05%	32.60%	25.50%	21.20%	*	*	*	*	*

* 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.

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,734,366	\$ 1,689,528	\$ 1,729,549	\$ 1,704,403	\$ 1,668,900	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,734,366)</u>	<u>(1,689,528)</u>	<u>(1,729,549)</u>	<u>(1,704,403)</u>	<u>(1,668,900)</u>	*	*	*	*	*
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	*	*	*	*	*
District's covered-employee payroll	\$41,948,866	\$61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	*	*	*	*
Contributions as a percentage of covered-employee payroll	4.13%	2.73%	3.00%	3.00%	2.96%	*	*	*	*	*

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

Changes of benefit terms - None

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.

BULLITT 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	0.641366%	0.649367%	0.643261%	0.636927%	0.648925%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$12,278,631	\$15,680,238	\$10,819,360	\$11,308,512	\$13,045,612	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*
Total net OPEB liability	\$12,278,631	\$15,680,238	\$10,819,360	\$11,308,512	\$13,045,612	*	*	*	*	*
District's covered-employee payroll	\$16,658,153	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	73.7%	92.8%	65.7%	70.8%	81.8%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	62.91%	51.67%	60.44%	57.62%	52.39%	*	*	*	*	*

* 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.

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 779,973	\$ 791,984	\$ 804,146	\$ 865,851	\$ 750,765	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(779,973)</u>	<u>(791,984)</u>	<u>(804,146)</u>	<u>(865,851)</u>	<u>(750,765)</u>	*	*	*	*	*
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	*	*	*	*	*
District's covered-employee payroll	\$11,101,123	\$16,658,153	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	*	*	*	*
Contributions as a percentage of covered-employee payroll	7.03%	4.75%	4.76%	5.26%	4.70%	*	*	*	*	*

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

BULLITT 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 Assistance Listing Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2022</u>
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 05	\$ (133)
Special Education_Grants to States	84.027	3810002 10	13
Special Education_Grants to States	84.027	3810002 13	68
Special Education_Grants to States	84.027	3810002 18	3,751
Special Education_Grants to States	84.027	3810002 19	1,535
Special Education_Grants to States	84.027	3810002 20	340,438
Special Education_Grants to States	84.027	3810002 21	2,292,824
Special Education_Grants to States	84.027	4910002 21	109,904
Special Education_Preschool Grants	84.173	4900002 21	4,402
Special Education_Preschool Grants	84.173	3800002 13	<u>5</u>
Total Special Education Cluster			2,752,807
Title I Grants to Local Educational Agencies	84.010	3100002 17	73,854
Title I Grants to Local Educational Agencies	84.010A	3100002 19	9,590
Title I Grants to Local Educational Agencies	84.010A	3100002 20	400,452
Title I Grants to Local Educational Agencies	84.010A	3100002 21	<u>1,631,039</u>
Total ALN #84.010			2,114,935
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 20	12,706
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 21	<u>16,213</u>
Total ALN #84.013			28,919
Career and technical Education -Basic Grants to States	84.048	3710002 11	3,996
Career and technical Education -Basic Grants to States	84.048	3710002 12	4,070
Career and technical Education -Basic Grants to States	84.048	3710002 20	17,434
Career and technical Education -Basic Grants to States	84.048	3710002 21	<u>90,221</u>
Total ALN #84.048			115,721
Education for Homeless Children and Youth	84.196	3990002-18	(6,069)
Education for Homeless Children and Youth	84.196	3990002-20	33,158
Education for Homeless Children and Youth	84.196	3990002-21	<u>34,291</u>
Total ALN #84.196			61,380
Twenty-First Century Community Learning Centers	84.287	3400002-10	1,000
Twenty-First Century Community Learning Centers	84.287	3400002-16	(12,067)
Twenty-First Century Community Learning Centers	84.287	3400002-19	58,743
Twenty-First Century Community Learning Centers	84.287	3400002-20	<u>72,434</u>
Total ALN #84.287			120,110
Special Education Educational Technology Media	84.327	3810002 21	<u>84,987</u>
English Language Acquisition State Grants	84.365	3300002 20	4,072
English Language Acquisition State Grants	84.365	3300002 21	<u>23,344</u>
Total ALN #84.365			27,416
Title II Improving Teacher Quality State Grants	84.367	3230002 19	17,609
Title II Improving Teacher Quality State Grants	84.367	3230002 20	66,023
Title II Improving Teacher Quality State Grants	84.367	3230002 21	<u>228,781</u>
Total ALN #84.367			312,413
Student Support and Academic Enrichment	84.424A	3420002-19	18,094
Student Support and Academic Enrichment	84.424A	3420002-20	63,447
Student Support and Academic Enrichment	84.424A	3420002-21	<u>33,924</u>
Total ALN #84.424A			115,465
COVID-19 Governor's Emergency Education Relief Fund	84.425C	CARE-20	8,490
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-21	7,347,900
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000002-20	(813)
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund Homeless Children & Youth	84.425W	4980002-20	18,132
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-21	<u>6,506,234</u>
Total ALN #84.425			13,879,943
Total U.S. Department of Education			<u>19,614,096</u>

BULLITT COUNTY SCHOOL DISTRICT

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

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal ALN Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2022</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Direct Federal Award</i>			
Drug-Free Communities Support Program Grants	93.276	Direct-21	18,148
Drug-Free Communities Support Program Grants	93.276	Direct-22	90,139
Total ALN #93.276			<u>108,287</u>
Cooperative Agreements to Promote Adolescent Health	93.079	Note available	<u>1,627</u>
Child Care Development Block Grant	93.575	Note available	<u>59,747</u>
<i>Passed through Kentucky Department of Education</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not available	<u>377,205</u>
Total U.S. Department of Health and Human Services			<u>546,866</u>
<u>U.S. Department of Labor</u>			
<i>Direct Award</i>			
WIA/WIOA Dislocated Worker Formula Grants	17.278	9100001 89	<u>16,586</u>
Total U.S. Department of Labor			<u>16,586</u>
<u>U.S. Department of Defense</u>			
<i>Direct Award</i>			
National Guard Challenge Program	12.357	Not available	<u>198,035</u>
Total U.S. Department of Defense			<u>198,035</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through Kentucky Department of Education</i>			
Diesel Emission Reduction Act	66.039	Not available	<u>298,044</u>
Total U.S. Environmental Protection Agency			<u>298,044</u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
School Breakfast Program	10.553	7760005 21	278,240
School Breakfast Program	10.553	7760005 22	1,091,013
National School Lunch Program	10.555	7970000 21	76,937
National School Lunch Program	10.555	9980000 22	313,321
National School Lunch Program	10.555	7750002 21	1,002,540
National School Lunch Program	10.555	7750002 22	4,535,334
Summer Food Service Program for Children	10.559	7690024 21	16,892
Summer Food Service Program for Children	10.559	7740023 21	164,687
			<u>7,478,964</u>
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not available	<u>488,784</u>
Total Child Nutrition Cluster			<u>7,967,748</u>
<i>Passed through Kentucky Department of Education</i>			
Child and Adult Care Food Program	10.558	7790021 21	<u>235</u>
P-EBT Administrative Costs Grant	10.649	9990000 21	<u>5,814</u>
State Administrative Expenses for Child Nutrition	10.560	7700001 21	<u>7,130</u>
Total U.S. Department of Agriculture			<u>7,980,927</u>
Total Expenditures of Federal Awards			<u>\$ 28,654,554</u>

BULLITT COUNTY SCHOOL DISTRICT

**Notes to the 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 Bullitt 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 Bullitt 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 \$488,784.

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
Bullitt County School District
Shepherdsville, 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 Bullitt County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Bullitt County School District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bullitt County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bullitt County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bullitt County School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bullitt County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters that we reported to management of the District on pages 81 to 85.

**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
November 15, 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
Bullitt County School District
Shepherdsville, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bullitt 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 Bullitt County School District's major federal programs for the year ended June 30, 2022. Bullitt 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, Bullitt 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 Bullitt 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 Bullitt 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 Bullitt County School District's federal programs.

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

Auditor's Responsibilities for the Audit of Compliance

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

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

Report on Internal Control Over Compliance (Continued)

Our 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
November 15, 2022

BULLITT 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

ALN No.	Name of Federal Program or Cluster
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

BULLITT 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

BULLITT COUNTY SCHOOL DISTRICT

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

In planning and performing our audit of the financial statements of Bullitt 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 November 15, 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 November 15, 2022, on the financial statements of the Bullitt County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bullitt Central High School

No matters are reportable

Bullitt East High School

No matters are reportable

North Bullitt High School

Statement of Deficiency: It was noted that multiple monthly financial reports were not prepared timely.

Management Response: The bookkeeper and principal have attended Redbook training in August 2022. Both parties are aware of the monthly financial report deadlines and will adhere to those deadlines moving forward.

Statement of Deficiency: It was noted that one activity fund had a negative ending balance in the annual financial report.

Management Response: The bookkeeper and principal have attended Redbook training in August 2022. The activity fund which ended in a negative balance was in regards to the start-up funds for gate admissions. The funds were kept in a locked safe; however, were not deposited before the end of the year. In the future all negative fund balances will be addressed prior to closing the year.

Bernheim Middle School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

CURRENT YEAR RECOMMENDATIONS (Continued)

Bullitt Lick Middle School

Statement of Deficiency: It was noted that one invoice was not marked paid or otherwise defaced.

Management Response: The bookkeeper will ensure the invoices are properly marked as being paid. This was simply an oversight.

Eastside Middle School

No matters are reportable

Hebron Middle School

Statement of Deficiency: It was noted that multiple monthly financial reports were not prepared timely.

Management Response: As of July 2022, Hebron Middle School has a new bookkeeper and a new principal. Both individuals have attended Redbook training in August 2022 and are aware of the appropriate monthly financial report deadlines. All monthly financial reports will be submitted timely.

Mt. Washington Middle School

No matters are reportable

Zoneton Middle School

No matters are reportable

Brooks Elementary School

Statement of Deficiency: It was noted that two invoices were not marked paid or otherwise defaced.

Management Response: The bookkeeper will ensure the invoices are properly marked as being paid. This was simply an oversight.

Cedar Grove Elementary School

No matters are reportable

Crossroads Elementary School

Statement of Deficiency: It was noted that the annual financial report was not prepared timely.

Management Response: The bookkeeper and the principal have attended Redbook training in August 2022. However, the annual financial report was not ran in a completed format for yearend. In the future the annual financial report will be prepared timely and include the appropriate documents.

Freedom Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

CURRENT YEAR RECOMMENDATIONS (Continued)

Lebanon Junction Elementary School

No matters are reportable

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

No matters are reportable

Old Mill Elementary School

Statement of Deficiency: It was noted that multiple monthly financial reports were not prepared timely.

Management Response: As of August 2022, Old Mill Elementary School has a new bookkeeper and a new principal. Both individuals have attended Redbook training in August 2022 and are aware of the appropriate monthly financial report deadlines. All monthly financial reports will be submitted timely.

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

Statement of Deficiency: It was noted that multiple monthly financial reports were not prepared timely.

Management Response: Pleasant Grove has had significant turnover in the bookkeeper position. During Fiscal Year 2022, Pleasant Grove has had three bookkeepers. However, Kimberly Durbin, the current bookkeeper, has attended Redbook training in August 2022. The principal Dionna Bickley has also attended Redbook training in August 2022. Both parties are aware of the monthly financial report deadlines. All monthly reports will be submitted timely.

Roby Elementary School

No matters are reportable

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bullitt Central High School

No matters are reportable

Bullitt East High School

No matters are reportable

North Bullitt High School

No matters are reportable

Bernheim Middle School

No matters are reportable

Bullitt Lick Middle School

No matters are reportable

Eastside Middle School

No matters are reportable

Hebron Middle School

No matters are reportable

Mt. Washington Middle School

No matters are reportable

Zoneton Middle School

No matters are reportable

Brooks Elementary School

No matters are reportable

Cedar Grove Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Crossroads Elementary School

No matters are reportable

Freedom Elementary School

No matters are reportable

Lebanon Junction Elementary School

No matters are reportable

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

No matters are reportable

Old Mill Elementary School

No matters are reportable

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

No matters are reportable

Roby Elementary School

No matters are reportable

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

No matters are reportable