BELLEVUE INDEPENDENT SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for
School District Audits
Members of the Board of Education
Bellevue Independent School District
Bellevue, 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 Bellevue Independent School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules 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 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 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.

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 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 6 through 9 and the Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of District's Proportionate Share of the Net OPEB Liability, and Schedule of OPEB Contributions on pages 53 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 14, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 14, 2023

As management of the Bellevue Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the financial statements.

FINANCIAL HIGHLIGHTS

- The beginning cash balance for all funds of the District, excluding trust funds, was $6,657,427 and the ending balance was $6,755,456 an increase of $98,029 for the year.

- The District's total principal debt payments were $338,643 during the current fiscal year.

- The General Fund had $8.7 million in revenue, which primarily consisted of the state program (SEEK), property, franchise, and motor vehicle taxes. Excluding inter-fund transfers, there were approximately $8.4 million in General Fund expenditures.

- Net pension liabilities required to be recorded under GASB No. 68 increased during the year. Non-professional staff members are covered by the Kentucky County Employee Retirement System. Under this system, the District's share of the pension liability was $2,973,727 as of June 30, 2022, which represents an increase of $404,286 from the June 30, 2021 balance of $2,569,441. The Kentucky Teachers Retirement System covers the District's professional staff members. The District's allocated pension liability as of June 30, 2022 was $17,686,017, which represents an increase of $4,749,925 from the June 30, 2021 balance of $12,936,092. However, this pension liability is the responsibility of the Commonwealth of Kentucky.

- Net OPEB liabilities required to be recorded under GASB 75 increased during the year. There are two sources of OPEB liabilities with which the District has to contend. The Kentucky Teachers Retirement System (KTRS) Medical Insurance Plan and Life Insurance Plan covers the District's professional staff members. The District's allocated OPEB liability as of June 30, 2022 for KTRS Medical Insurance Plan was $2,459,000 with the District's responsibility being $1,851,000 and the Commonwealth of Kentucky's responsibility being $608,000. This is an overall increase of $415,000 from the District's allocated OPEB liability of $2,044,000 at June 30, 2021 for KTRS Medical Insurance Plan. The liability for the KTRS Life Insurance Plan is the responsibility of the Commonwealth of Kentucky and the District's allocated amount as of June 30, 2022 was $30,000, which represents an increase of $18,000 from the June 30, 2021 balance of $12,000. Classified staff members are covered by the County Employee Retirement System Insurance Fund. Under this fund, the District's share of the OPEB liability was $813,206 as of June 30, 2022, which represents an increase of $41,855 from the June 30, 2021 balance of $771,351.

OVERVIEW OF FINANCIAL STATEMENTS

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) government-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.

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

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

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

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

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The primary proprietary fund is our daycare and food service operations. All other activities of the district are included in the governmental funds.

The basic fund financial statements can be found on pages 12 - 22 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 - 52 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $3,126,313 as of June 30, 2023.

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

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

Net Position for the period ending June 30, 2023 and 2022

	2023	2022
Current Assets	$ 20,375,075	$ 6,924,562
Noncurrent Assets	8,963,046	8,040,032
Total Assets	29,338,121	14,964,594
Deferred Outflows	1,956,377	1,593,130
Current Liabilities	14,274,472	671,579
Noncurrent Liabilities	12,602,040	11,760,680
Total Liabilities	26,876,512	12,432,259
Deferred Inflows	1,291,673	1,952,903
Net Position		
Net investment in capital assets	2,374,546	454,666
Restricted	1,964,165	(2,197,635)
Unrestricted Fund Balance	(1,212,398)	3,915,531
Total Net Position	$ 3,126,313	$ 2,172,562

The following table presents a summary of all governmental activities and business-type activities revenues and expenses for the fiscal year ended June 30, 2023, with comparison to 2022.

	2023	2022
Revenues:		
Local Revenue Sources	$ 4,831,819	$ 2,174,480
State Revenue Sources	3,838,782	5,736,004
Federal Revenue	2,061,312	2,542,480
Other Sources	1,008,542	832,878
Total Revenues	11,740,455	11,285,842
Expenses:		
Instruction	5,186,184	4,199,020
Student Support Services	640,087	114,188
Instructional Support	931,370	647,464
District Administration	773,931	541,034
School Administration	665,764	804,507
Business and Other Support Services	439,568	466,310
Plant Operations	994,642	1,558,115
Student Transportation	83,710	234,305
Community Services	309,844	87,569
Debt Service	173,695	688,089
Food Services	587,909	827,927
Total Expenses	10,786,704	10,168,528
Revenues in Excess of Expenses	$ 953,751	$ 1,117,314

Governmental Funds

- The District's total revenues for the governmental funds for the fiscal year ended June 30, 2023 and 2022, net of inter-fund transfers and bond proceeds, were $12.0 million and $10.3 million, respectively.

- The majority of revenue was derived from local revenues making up 48.83% of total revenue. State funding make up 39.83% and federal funding of 11.34% of total revenue

- The total cost of all programs and services for the governmental funds was approximately $11.1 million and $9.3 million, net of debt service and facilities construction for the fiscal years ended June 30, 2023 and 2022, respectively.

Comments on Budget Comparisons

- General Fund budget compared to actual revenue varied slightly from line item to line item with the ending actual revenue balance being approximately $568,000 more than budget, and the change in fund balance being approximately $3.9 million more than budget.

- General Fund expenditures compared to actual varied slightly from line item to line item with the ending actual expenditures balance, excluding the contingency, being approximately $2.7 million less than budget.

Capital Assets

At the end of June 30, 2023, the District's investment in capital assets for its governmental and business-type activities was $8,963,046 representing an increase of $923,014, net of depreciation, from the prior year.

Debt Service

At year-end, the District had approximately $7.2 million in outstanding debt, compared to $7.5 million last year. The District continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

FUTURE BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal, operate on a different fiscal calendar but are reflected in the District's overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget with a contingency above the 2% requirement for FY 2024. The General Fund's beginning cash balance for beginning the fiscal year is $4,336,282, including amounts restricted for construction. There was no significant Board action that impacts the finances for the new fiscal year.

Questions regarding this report should be directed to Ms. Misty Middleton, Superintendent or to her representative Ms. Kelsey Wright, Finance Officer (859) 261-2108 or by mail to: Central Office, 219 Center Street, Bellevue, KY 41073.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 6,332,193	$ 423,263	$ 6,755,456
Investments	13,139,419	-	13,139,419
Receivables (net of allowances for uncollectibles):			
Taxes	48,585	-	48,585
Other	6,620	-	6,620
Intergovernmental - federal	404,606	15,146	419,752
Inventories	-	5,243	5,243
Capital assets, not being depreciated	6,524,873	-	6,524,873
Capital assets, being depreciated, net	2,375,162	63,011	2,438,173
Total assets	28,831,458	506,663	29,338,121
Deferred outflows - other post-employment benefits	1,458,589	53,387	1,511,976
Deferred outflows - pension	377,322	67,079	444,401
Total deferred outflows of resources	1,835,911	120,466	1,956,377
Liabilities			
Accounts payable	286,076	3,370	289,446
Unearned revenue	13,619,753	-	13,619,753
Portion due or payable within one year:			
Bond obligations	348,922	-	348,922
Accrued interest	16,351	-	16,351
Noncurrent liabilities:			
Portion due or payable after one year:			
Bond obligations	6,875,476	-	6,875,476
Accrued sick leave	88,631	-	88,631
Net OPEB liability	2,585,423	78,783	2,664,206
Net pension liability	2,814,693	159,034	2,973,727
Total liabilities	26,635,325	241,187	26,876,512
Deferred inflows of resources			
Deferred inflows - other post-employment benefits	1,176,818	88,373	1,265,191
Deferred inflows - pension	22,485	3,997	26,482
Total deferred inflows of resources	1,199,303	92,370	1,291,673
Net Position			
Net investment in capital assets	2,311,535	63,011	2,374,546
Restricted for:			
Capital projects	852,272	-	852,272
Debt service	-	-	-
Other	881,332	230,561	1,111,893
Unrestricted	(1,212,398)	-	(1,212,398)
Total net position	$ 2,832,741	$ 293,572	$ 3,126,313

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
Instruction	$ 5,186,184	$ -	$ 1,176,736	$ -	$ (4,009,448)	$ -	$ (4,009,448)
Support services:							
Students	640,087	-	-	-	(640,087)	-	(640,087)
Instructional staff	931,370	-	258,282	-	(673,088)	-	(673,088)
District administration	773,931	-	-	-	(773,931)	-	(773,931)
School administration	665,764	-	-	-	(665,764)	-	(665,764)
Business and other support services	439,568	-	-	-	(439,568)	-	(439,568)
Operation and maintenance of plant	994,642	-	48,648	-	(945,994)	-	(945,994)
Student transportation	83,710	-	5,612	-	(78,098)	-	(78,098)
Community services	309,844	-	297,047	-	(12,797)	-	(12,797)
Debt service - interest	173,695	-	-	246,209	72,514	-	72,514
Total governmental activities	10,198,795	-	1,786,325	246,209	(8,166,261)	-	(8,166,261)
Business-type activities:							
Food service	587,909	789	737,958	-	-	150,838	150,838
Total business-type activities	587,909	789	737,958	-	-	150,838	150,838
Total primary government	$ 10,786,704	$ 789	$ 2,524,283	$ 246,209	$ (8,166,261)	$ 150,838	$ (8,015,423)

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes:			
Property taxes, levied for general purposes	$ 4,351,328	$ -	$ 4,351,328
Motor vehicle	479,702	-	479,702
Intergovernmental revenues:			
State and federal	3,129,602	-	3,129,602
Investment earnings	634,331	-	634,331
Other local revenues	371,420	2,791	374,211
Total general revenues	8,966,383	2,791	8,969,174
Transfers	29,204	(29,204)	-
Total general revenues and transfers	8,995,587	(26,413)	8,969,174
Change in net position	829,326	124,425	953,751
Net position, June 30, 2022	2,003,415	169,147	2,172,562
Net position, June 30, 2023	$ 2,832,741	$ 293,572	$ 3,126,313

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 4,336,282	$ 507,741	$ 635,898	$ 852,272	$ 6,332,193
Investments	-	-	13,139,419	-	13,139,419
Receivables (net of allowances for uncollectibles):					
Property taxes	48,585	-	-	-	48,585
Other	6,620	-	-	-	6,620
Intergovernmental	-	404,606	-	-	404,606
Total assets	$ 4,391,487	$ 912,347	$ 13,775,317	$ 852,272	$ 19,931,423
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 99,497	$ 18,794	$ 167,785	$ -	$ 286,076
Unearned revenue	-	893,553	12,726,200	-	13,619,753
Total liabilities	99,497	912,347	12,893,985	-	13,905,829
Fund balances:					
Committed	44,314	-	-	-	44,314
Restricted	-	-	881,332	852,272	1,733,604
Unassigned	4,247,676	-	-	-	4,247,676
Total fund balances	4,291,990	-	881,332	852,272	6,025,594
Total liabilities and fund balances	$ 4,391,487	$ 912,347	$ 13,775,317	$ 852,272	$ 19,931,423

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Fund balances—total governmental funds		$ 6,025,594
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,900,035
Deferred outflows and inflows of resources related to pensions and OPEB plans are applicable to future periods and, therefore, are not reported in the governmental funds.		636,608
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds financial statements.		
Net OPEB liability	(2,585,423)	
Net pension liability	(2,814,693)	
Bonds payable	(7,224,398)	
Accrued sick leave	(88,631)	
Accrued interest	(16,351)	(12,729,496)
Net position of governmental activities		$ 2,832,741

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes -					
Property	$ 3,849,262	$ -	$ -	$ 502,066	$ 4,351,328
Motor vehicles	479,702	-	-	-	479,702
Tuition and fees	10,524	-	-	-	10,524
Interest income	215,064	-	413,219	6,048	634,331
Other local revenues	87,215	6,212	-	267,469	360,896
Intergovernmental - State	4,002,202	512,972	-	246,209	4,761,383
Intergovernmental - Indirect federal	-	1,273,353	-	-	1,273,353
Intergovernmental - Direct federal	81,833	-	-	-	81,833
Total revenues	8,725,802	1,792,537	413,219	1,021,792	11,953,350
Expenditures:					
Current:					
Instruction	4,434,944	1,194,958	-	299,614	5,929,516
Support services:					
Students	631,991	-	-	-	631,991
Instructional staff	672,649	258,282	-	-	930,931
District administration	753,780	-	-	-	753,780
School administration	614,092	-	-	-	614,092
Business and other support services	413,966	-	-	-	413,966
Operation and maintenance of plant	842,983	48,648	-	-	891,631
Student transportation	73,553	5,612	-	-	79,165
Community services	1,347	297,047	-	-	298,394
Facilities acquisition and construction	-	-	1,210,916	-	1,210,916
Debt service	9,148	-	-	515,806	524,954
Total expenditures	8,448,453	1,804,547	1,210,916	815,420	12,279,336
Excess (deficiency) of revenues over (under) expenditures	277,349	(12,010)	(797,697)	206,372	(325,986)
Other financing sources (uses):					
Transfers in	29,204	12,010	-	416,294	457,508
Transfers out	(12,010)	-	-	(416,294)	(428,304)
Total other financing sources and uses	17,194	12,010	-	-	29,204
Net change in fund balances	294,543	-	(797,697)	206,372	(296,782)
Fund balances, June 30, 2022	3,997,447	-	1,679,029	645,900	6,322,376
Fund balances, June 30, 2023	$ 4,291,990	$ -	$ 881,332	$ 852,272	$ 6,025,594

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

BELLEVUE INDEPENDENT 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, 2023

Net change in fund balances—total governmental funds		$ (296,782)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	1,210,916	
Depreciation expense	(278,493)	932,423
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:		
Long-term portion of accrued sick leave		(38,448)
Amortization of bond discount		22,325
Change in accrued interest		(9,709)
Governmental funds report pension and OPEB contributions as expenditures when paid. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, and investment experience.		
KTRS nonemployer support revenue	(954,433)	
KTRS pension and OPEB expense	1,071,249	
CERS pension and OPEB expense	(235,942)	(119,126)
Bond and note payments are recognized as expenditures of current financial resources in the fund financial statements, but are reductions of liabilities in the statement of net position.		338,643
Change in net position of governmental activities		$ 829,326

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 423,263
Receivables (net of allowances for uncollectibles)	
Intergovernmental	15,146
Inventories	5,243
Total current assets	443,652
Noncurrent assets:	
Capital assets, net of accumulated depreciation	63,011
Total noncurrent assets	63,011
Total assets	506,663
Deferred Outflows of Resources	
Deferred outflows - other post-employment benefits	53,387
Deferred outflows - pension	67,079
Total deferred outflows of resources	120,466
Total assets and deferred outflows	$ 627,129
Liabilities	
Current liabilities:	
Accounts payable	$ 3,370
Total current liabilities	3,370
Noncurrent liabilities:	
Net OPEB liability	78,783
Net pension liability	159,034
Total noncurrent liabilities	237,817
Total liabilities	241,187
Deferred Inflows of Resources	
Deferred inflows - other post-employment benefits	88,373
Deferred inflows - pension	3,997
Total deferred inflows of resources	92,370
Net Position	
Net investment in capital assets	63,011
Restricted	230,561
Total net position	293,572
Total liabilities, deferred inflows and net position	$ 627,129

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Food Service Fund
Operating revenues:	
Lunchroom sales	$ 789
Other operating revenues	2,791
Total operating revenues	3,580
Operating expenses:	
Salaries and wages	167,136
Employee benefits	109,660
Contract services	8,626
Materials and supplies	293,078
Depreciation	9,409
Total operating expenses	587,909
Operating income (loss)	(584,329)
Nonoperating revenues :	
Federal grants	673,244
On-behalf payments	27,768
Donated commodities	32,882
State grants	4,064
Total nonoperating revenue	737,958
Income (loss) before transfers	153,629
Transfers out	(29,204)
Change in net position	124,425
Net position, June 30, 2022	169,147
Net position, June 30, 2023	$ 293,572

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

		Food Service Fund
Cash flows from operating activities:		
Cash received from:		
Lunchroom sales	$	789
Cash paid to/for:		
Payments to suppliers and providers of goods and services		(347,322)
Payments to employees		(141,598)
Transfers		-
Net cash provided by (used for) operating activities		(488,131)
Cash flows from noncapital financing activities:		
Transfers		(29,204)
Government grants		736,574
Net cash provided by noncapital and related financing activities		707,370
Cash flows from capital and related financing activities:		
Purchases of capital assets		-
Net cash used for capital and related financing activities		-
Cash flows from investing activities:		
Interest received on investments		-
Net cash provided by investing activities		-
Net increase (decrease) in cash and cash equivalents		219,239
Cash and cash equivalents, June 30, 2022		204,024
Cash and cash equivalents, June 30, 2023	$	423,263
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	(584,329)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation		9,409
On-behalf payments		27,768
Donated commodities		32,882
Net pension and OPEB expense		25,538
Change in assets and liabilities:		
Inventory		3,673
Accounts payable		(3,072)
Net cash provided by (used for) operating activities	$	(488,131)
Non-cash items:		
Donated commodities	$	32,882
On-behalf payments		27,768

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

		Trust Funds
Assets		
Cash and cash equivalents	$	36,911
Accounts receivable		-
Total assets		36,911
Liabilities		
Accounts payable		-
Total liabilities		-
Net position held in trust	$	36,911

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Trust Funds
Additions -	
Interest income	$ 308
Deductions -	
Scholarships	5,500
Change in net position	(5,192)
Net position, June 30, 2022	42,103
Net position, June 30, 2023	$ 36,911

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes -				
Property	$ 3,774,271	$ 3,774,271	$ 3,849,262	$ 74,991
Motor vehicles	330,000	330,000	479,702	149,702
Tuition and fees	5,000	5,000	10,524	5,524
Interest income	4,000	4,000	215,064	211,064
Other local revenues	15,500	15,500	87,215	71,715
Intergovernmental - State	1,537,080	1,537,080	1,565,746	28,666
Intergovernmental - Direct federal	55,000	55,000	81,833	26,833
Total revenues	5,720,851	5,720,851	6,289,346	568,495
Expenditures:				
Current:				
Instruction	3,714,306	3,714,306	2,891,047	823,259
Support services:				
Students	534,198	534,198	433,350	100,848
Instructional staff	512,267	512,267	429,603	82,664
District administration	856,941	856,941	640,571	216,370
School administration	519,353	519,353	409,138	110,215
Business and other support services	425,242	425,242	332,927	92,315
Operation and maintenance of plant	1,979,860	1,979,860	795,642	1,184,218
Student transportation	132,576	132,576	69,224	63,352
Community services	1,762	1,762	1,347	415
Facilities acquisition and construction	25,000	25,000	-	25,000
Debt service	9,148	9,148	9,148	-
Contingency	626,762	626,762	-	626,762
Total expenditures	9,337,415	9,337,415	6,011,997	3,325,418
Excess (deficiency) of revenues over (under) expenditures	(3,616,564)	(3,616,564)	277,349	3,893,913
Other financing sources (uses):				
Transfers in	45,000	45,000	29,204	(15,796)
Transfers out	(18,000)	(18,000)	(12,010)	5,990
Total other financing sources and uses	27,000	27,000	17,194	(9,806)
Net change in fund balances	(3,589,564)	(3,589,564)	294,543	3,884,107
Fund balances, June 30, 2022	3,588,804	3,588,804	3,997,447	408,643
Fund balances, June 30, 2023	$ (760)	$ (760)	$ 4,291,990	$ 4,292,750
Intergovernmental state revenue			$ 2,436,456	
On-behalf payments:				
Instruction			(1,543,897)	
Support Services				
Students			(198,641)	
Instruction staff			(243,046)	
District administration			(113,209)	
School administration			(204,954)	
Business and other support services			(81,039)	
Operation and maintenance of plant			(47,341)	
Student transportation			(4,329)	
Fund balance, June 30, 2023 (GAAP basis)			$ 4,291,990	

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Other local revenues	$ 318	$ 15,000	$ 6,212	$ (8,788)
Intergovernmental - State	450,286	507,926	512,972	5,046
Intergovernmental - Indirect federal	458,838	2,025,328	1,273,353	(751,975)
Total revenues	909,442	2,548,254	1,792,537	(755,717)
Expenditures:				
Current:				
Instruction	1,419,143	2,221,767	1,194,958	1,026,809
Support services:				
Instructional staff	197,482	454,738	258,282	196,456
School administration	-	-	-	-
Business and other support services	-	-	-	-
Operation and maintenance of plant	27,520	682,520	48,648	633,872
Student transportation	-	-	5,612	(5,612)
Community services	131,136	380,945	297,047	83,898
Total expenditures	1,775,281	3,739,970	1,804,547	1,935,423
Excess (deficiency) of revenues over (under) expenditures	(865,839)	(1,191,716)	(12,010)	1,179,706
Other financing sources (uses):				
Transfers in	32,527	32,527	12,010	(20,517)
Transfers out	14,527	14,527	-	(14,527)
Total other financing sources and uses	47,054	47,054	12,010	(35,044)
Net change in fund balances	(818,785)	(1,144,662)	-	1,144,662
Fund balances, June 30, 2022	-	-	-	-
Fund balances, June 30, 2023	$ (818,785)	$ (1,144,662)	$ -	$ 1,144,662

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

(1) REPORTING ENTITY

The Bellevue Independent Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Bellevue Independent School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, as 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 reporting purposes, includes all of the funds and account groups relevant to the operation of the Bellevue Independent School District. 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 Band Boosters, Parent-Teacher Associations, etc.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the District. 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.

Bellevue Independent School District Finance Corporation

The Board authorized the establishment of the Bellevue Independent 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 Bellevue Independent Board of Education also comprise the Corporation's Board of Directors.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bellevue Independent School District substantially comply with accounting principles generally accepted in the United States and the rules prescribed by the Kentucky Department of Education for local school districts.

Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements - provide information about the primary government (the District). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions, except where allowable for certain grant programs. 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, including internally dedicated resources and all taxes, are reported as general revenues, 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 - provide information about the District's funds, including fiduciary funds. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. Fiduciary funds are aggregated and 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. The proprietary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The District has the following funds:

I. <u>Governmental Fund Types</u>

(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.

1. The Special Revenue Fund 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. This is a major fund of the District.

2. The School Activity Fund is a special revenue fund used to account for funds collected at individual schools for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the *Uniform Program of Accounting for School Activity Funds.*

(C) The District Activity Fund is a Special Revenue Fund that accounts for funds raised to support co-curricular and extra-curricular activities.

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

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 (FSPK Building) Fund 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 expenditures.

(E) The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs; and, for the payment of interest on general obligation notes payable, as required by Kentucky Law. This is a major fund of the District.

II. Proprietary Fund Types (Enterprise Fund)

(A) 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). Amounts have been recorded for in-kind contributions of commodities from the USDA. The Food Service Fund is a major fund.

III. Fiduciary Fund Type (Agency and Trust Funds)

(A) The Trust Fund is a scholarship fund. The principal and interest earned may be used for scholarships to Bellevue Independent High School students.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party receives essentially equal value, are 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 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

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. Allocation of costs, such as depreciation, are not recognized in the governmental funds.

Property Taxes

Property taxes collected are recorded as revenues in the fund for which they were levied. The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. The assessed value of property upon which the levy for the 2023 fiscal year was based was $448,161,213.

The property tax rates assessed for the year ended June 30, 2023, to finance the General Fund operations were $.9490 per $100 valuation for real property, $.9690 per $100 valuation for business personal property and $1.014 per $100 valuation for motor vehicles. In addition, the District assessed a nickel levy in the amount of $.056 per $100 valuation and a recallable nickel levy in the amount of $.056 per $100 valuation for construction purposes, only.

In-Kind

Local contributions, which include contributed services provided by individuals, private Districts and local governments, are used to match federal and state administered funding on various grants. The District also receives commodities from USDA. The amounts of such services and commodities are recorded in the accompanying financial statements at their estimated fair market values.

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Food Service Fund, which records inventory using the accrual basis of accounting. Inventories are stated at the lower of cost or market, on the first-in, first-out basis.

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 government-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 government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. 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 capitalized.

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

Description	Estimated Lives
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
Audio-visual equipment	15 years
Food service equipment	5-12 years
Furniture and fixtures	7 years
Other general	7-11 years

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.

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major difference between the budgetary basis and the GAAP basis is that on-behalf payments made by the state for the District and direct financing capital lease obligations are not budgeted. See Note (12) for these amounts, which were not known by the District at the time the budget was adopted.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy, only amendments that aggregate greater than $50,000 require Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the 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 notes payable, 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, all 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.

Fund Balance Reserves

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 Board itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the action to remove or change the constraint;
- Assigned fund balance - amounts the District intends to use for a 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 any purpose; unassigned amounts are reported only in the General Fund.

When restricted, committed, assigned and unassigned resources are available for use, it is the District's policy to use restricted, committed and assigned resources first, then unassigned resources as they are needed.

Net Position

Net position represents the difference between assets, plus deferred outflows, and liabilities, plus deferred inflows. Net investment in capital assets 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 School 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. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials, labor and direct overhead. Other expenses are nonoperating.

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 after nonoperating revenues/expenses in the 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.

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 basic financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Debt Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

Accumulated Unpaid Sick Leave Benefits

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

For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Postemployment Benefits Other Than Pensions (OPEB)

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

Recent Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 is effective for the District beginning with its year ending June 30, 2023. Adoption of the provisions of this statement did not have a material effect on the District's financial statements.

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* ("GASB 99"), to provide guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements. GASB 99 addresses, among other matters:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Clarification of certain provisions of Statement No.:
  - 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments,
  - 87, Leases,
  - 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements,
  - 96, Subscription-Based Information Technology Arrangements (SBITA);
- Replacing the original deadline for use of the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt with a deadline for when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021;
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP);
- Disclosures related to non-monetary transactions; and
- Pledges of future revenues when resources are not received by the pledging government.

Requirements that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement No. 34, and terminology updates are effective upon issuance. Requirements related to leases, public-public and public-private partnerships (PPPs), and SBITAs are effective for fiscal years beginning after June 15, 2022, and for all reporting periods thereafter. Requirements related to other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions required for the year ending June 30, 2023 in this statement did not have a material effect on the District's financial statements. Management is currently evaluating the impact of the remaining provisions of this Statement on its financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)* ("GASB 100"), which has as its primary objective to provide more straightforward guidance that is easier to understand and is more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability. Improving the clarity of accounting and financial reporting requirements for accounting changes and error corrections will mean greater consistency in the application of these requirements in general.

GASB 100 prescribes accounting and financial reporting for each category of accounting change and error corrections, requiring that:

- Changes in accounting principle and error corrections be reported retroactively by restating prior periods;

- Changes in accounting estimate be reported prospectively by recognizing the change in the current period; and
- Changes to and within the financial reporting entity be reported by adjusting beginning balances of the current period.
- Governments disclose the effects of each accounting change and error correction on beginning balances in a tabular format.

The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Management is currently evaluating the impact of this Statement on its financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"), which supersedes the guidance in Statement No. 16, *Accounting for Compensated Absences*, issued in 1992. GASB 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. For example, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled. Some exceptions to this general rule include parental leave, military leave and jury duty leave for which a liability would not be recognized until the leave commences.

Additionally, GASB 101 (1) provides an alternative to the existing requirement to disclose the gross annual increases and decreases in long-term liability for compensated absences, allowing governments to disclose only the net annual change in the liability as long as it is identified as such; and (2) removes the disclosure of the government funds used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

(3) LONG-TERM OBLIGATIONS

A summary of activity in bond obligations and other long-term obligations is as follows:

Description	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
General obligation bonds	$ 7,252,565	$ -	$ 338,643	$ 6,913,922	$ 348,922
Premium (discount) on bonds	332,801	-	22,325	310,476	-
Net Pension Liability	2,569,441	404,286	-	2,973,727	-
Net OPEB Liability	1,899,351	764,855	-	2,664,206	-
Accrued interest	6,642	9,709	-	16,351	16,351
Accumulated unpaid sick leave benefits	50,183	38,448	-	88,631	-
	$ 12,110,983	$ 1,217,298	$ 360,968	$ 12,967,313	$ 365,273

Bonds

The amount shown in the accompanying financial statements as bond obligations represents the Board's future obligations to make lease payments relating to the bonds issued by the Bellevue Independent School District Finance Corporation.

The General Fund, Facilities Support Program (FSPK) Fund and the SEEK Capital Outlay Fund are obligated to make lease payments. The lease agreements provide among other things, (1) for rentals sufficient to satisfy debt service requirements on bonds issued to construct school facilities and (2) the Board with the option to purchase the properties under leases at any time by retiring the bonds then outstanding. The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

The original amount of present outstanding issues, the issue dates, and interest rates are summarized below:

Issue	Original Amount	Interest Rates
Issue of 2014	$ 95,633	2.00-3.00%
Issue of 2019	690,000	1.60-3.00%
Issue of 2021	815,000	3.00%
Issue of 2021B	6,110,000	2.00-4.00%

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent.

In connection with the bond issues of 2019, 2021 and 2021B, the Board entered into a participation agreement with the Kentucky School Facilities Construction Commission, whereby the Commission has agreed to provide amounts on an annual basis (reflected in the following table) toward the payment of principal and interest requirements on the bonds. The agreement is in effect for a period of two years. The obligation of the Commission to make said payments shall automatically renew every two years, unless the Commission provides the Board notice of its intention not to participate within sixty days prior to the expiration of the two year period.

Assuming no issues are called prior to scheduled maturity and that the Kentucky School Facilities Construction Commission continues to renew its agreement, the minimum obligations at June 30, 2023 for debt service (principal and interest) are as follows:

	Kentucky School Facilities Construction Commission		Bellevue Independent School District		
Year	Principal	Interest	Principal	Interest	Total
2024	$ 83,232	$ 26,849	$ 265,690	$ 149,512	$ 525,283
2025	85,601	24,480	264,399	141,564	516,044
2026	88,111	21,970	276,889	131,524	518,494
2027	90,694	19,385	284,306	120,909	515,294
2028	93,358	16,723	296,642	110,021	516,744
2029-2033	216,768	57,635	1,638,232	404,127	2,316,762
2034-2038	225,199	28,102	1,814,801	198,471	2,266,573
2039-2041	70,551	2,447	1,119,449	45,153	1,237,600
	$ 953,514	$ 197,591	$ 5,960,408	$ 1,301,281	$ 8,412,794

Net Pension Liability

The net pension liability is $2,814,693 and $159,034 for governmental activities and business-type activities, respectively, at June 30, 2023. See Note (5) for more detailed information.

Net OPEB Liability

The net OPEB liability is $2,585,423 and $78,783 for governmental activities and business-type activities, respectively, at June 30, 2023. See Note (6) for more detailed information.

(4) ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2023, the District followed the vesting method of calculation and the assumption that all vested employees with twenty-seven years of experience will retire from the District. Accordingly, a liability of $88,631 is shown in the June 30, 2023 government-wide financial statements. The District has the option of funding up to 50% of the total amount accrued as a reservation of the General Fund balance. At June 30, 2023, the District had committed $44,314 for sick leave payout.

(5) RETIREMENT PLANS

Kentucky Teachers Retirement System

Plan description: Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. KTRS 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 (KRS). KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

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

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

Non-university members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or 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 is less than 10 years. New members after July 1, 2002, who retire with 10 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 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is $440 multiplied by credited service.

For Members On or After July 1, 2008, and Before Jan. 1, 2022: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age 60 and complete five years of Kentucky service, or
2.) Complete 27 years of Kentucky service, or

3.) Attain age 55 and complete 10 years of Kentucky service.

The annual retirement allowance for non-university members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3% of final average salary for years of credited service greater than 30 years.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

For Members On or After Jan. 1, 2022: To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age 57 and complete 10 years of Kentucky service, or
2.) Attain age 65 and complete five years of Kentucky service.

Foundational Benefit - The annual foundational benefit for members is equal to service times a multiplier times final average salary. The final average salary is the member's five highest annual salaries. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service.

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

Contributions: Contribution rates are established by Kentucky Revised Statutes (KRS). For members who began participating before Jan. 1, 2022, non- university members are required to contribute 12.855% of their salaries to the system; university members are required to contribute 10.4% of their salaries. KRS 161.565 allows each university to reduce the contribution of its members by 2.215%; therefore, university members contribute 8.185% of their salary to TRS. For members employed by local school districts, the state (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008, and 14.105% for those who joined on or after July 1, 2008, and before Jan. 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

For members who began participating on or after Jan. 1, 2022, non-university members contribute 14.75% and university members contribute 9.775% of their salaries to the system. Employers of non-university members, including the state (as a non-employer contributing entity), contribute 10.75% of salary. University employers contribute 9.775% of member's salary to the system.

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

At June 30, 2023, the District did not report a liability for its proportionate share of the net pension liability because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State 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 net Pension liability	$ -

Commonwealth's proportionate share of the Net Pension liability associated with the District	17,686,017
	$ 17,686,017

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2022, the District's proportion was 0.1044%.

For the year ended June 30, 2023, the District recognized pension expense of ($968,000) and revenue of ($968,000) for support provided by the State.

Actuarial Methods and Assumptions: The total pension liability was determined by applying procedures to the actuarial valuation as of June 30, 2021. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	3.37%
Inflation	2.5%
Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation
Post-retirement Benefit Increases	1.50% annually

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 actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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 KTRS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	37.4%	4.2%
Small Cap U.S. Equity	2.6%	4.7%
Developed International Equity	16.5%	5.3%
Emerging Markets Equity	5.5%	5.4%
Fixed Income	15.0%	(0.1%)

High Yield Bonds	2.0%	1.7%
Other Additional Categories*	5.0%	2.2%
Real Estate	7.0%	4.0%
Private Equity	7.0%	6.9%
Cash	2.0%	(0.3%)
Total	100.0%	

Discount Rate: The discount rate used to measure the total pension liability as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution (ADC) rates for all future fiscal years. 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.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the Net Pension liability associated with the District	$ 22,451,374	$ 17,686,017	$ 13,541,611

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report which is publicly available at http://www.ktrs.ky.gov/.

County Employees Retirement System

Plan description: Substantially all full-time classified employees of the District participate in the County Employees Retirement System ("CERS"). CERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions: Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2023, employers were required to contribute 26.79% (23.40% - pension, 3.39% insurance) of the member's salary. During the year ending June 30, 2023, the District contributed $259,107 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportion was 0.0411%.

For the year ended June 30, 2023, the District recognized pension expense of approximately $446,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,179	$ 26,482
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	76,235	-
Changes in proportion and differences between District contributions and proportionate share of contributions	105,880	-
District contributions subsequent to the measurement date	259,107	-
	$ 444,401	$ 26,482

The $259,107 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

Year	
2024	$ 75,575
2025	23,751
2026	(24,989)
2027	84,475
	$ 158,812

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2021. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll growth	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation

The mortality table used for active members is PUB-2010 General Mortality Table projected with ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members and beneficiaries, a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019 is utilized. For disabled members, the mortality table used is the 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income		
Core Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected		
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Total	100.00%	4.28%

Discount Rate: 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 members 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 assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current discount rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	$ 3,716,790	$ 2,973,727	$ 2,359,152

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the pension plan: At June 30, 2023, there was a total payable to CERS of $20,374, which includes pension and OPEB contributions.

(6) OTHER POSTEMPLOYMENT BENEFIT ("OPEB") PLANS

Kentucky Teachers Retirement System OPEB Plans

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

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. During the year ending June 30, 2023, the District contributed $110,153 to the medical insurance plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Medical Insurance Plan

At June 30, 2023, the District reported a liability of $1,851,000 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, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. 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, 2022, the District's proportion was 0.0991%.

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	$ 1,851,000
Commonwealth's proportionate share of the Net OPEB liability associated with the District	608,000
	$ 2,459,000

For the year ended June 30, 2023, the District recognized OPEB expense of $117,000 and revenue of $14,000 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 778,000
Changes of assumptions	376,000	-
Net difference between projected and actual earnings on investments	98,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	575,000	156,000
District contributions subsequent to the measurement date	110,153	-
	$ 1,159,153	$ 934,000

Of the total amount reported as deferred outflows of resources related to OPEB, $110,153 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year	
2024	$ (68,000)
2025	(47,000)
2026	(27,000)
2027	104,000
2028	104,000
Thereafter	49,000
	$ 115,000

Actuarial methods and assumptions – The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2021. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.

Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	7.00% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2032
Ages 65 and Older	5.125% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2025
Medicare Part B Premiums	6.97% for FY 2022 with an ultimate rate of 4.50% by 2034
Municipal Bond Index Rate	3.37%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience studies for the System, 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) used in the June 30, 2021 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation. The health care cost trend assumption was updated for the June 30, 2021 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global Equity	58.0%	5.10%
Fixed Income	9.0%	-0.10%
Real Estate	6.5%	4.00%
Private Equity	8.5%	6.90%
High Yield	8.0%	1.70%
Other Additional Categories	9.0%	2.20%
Cash	1.0%	-0.30%
Total	100.0%	

Discount rate - The discount rate used to measure the TOL as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to the actuarial methods and assumptions of the June 30, 2021 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010 were assumed to be paid by either the State or the retirees themselves.
- As administrative expenses, other than the administrative fee of $8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.
- Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system's actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
    - Employee contributions
    - School District/University Contributions
    - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

To reflect these adjustments, open group projections were used and assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.675(4)(b).

- In developing the adjustments to the statutory contributions in future years, the following was assumed:
    - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
    - For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net OPEB liability	$ 2,332,000	$ 1,851,000	$ 1,461,000

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,388,000	$ 1,851,000	$ 2,427,000

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

Benefits provided – TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit 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 KTRS Life Insurance Plan

At June 30, 2023, the 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	$ -
Commonwealth's proportionate share of the Net OPEB liability associated with the District	30,000
	$ 30,000

The net OPEB liability was measured as of June 30, 2022, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2022, the District's proportion was 0.0973%.

For the year ended June 30, 2023, the District recognized OPEB expense of $-0- and revenue of $2,300 for support provided by the State.

Actuarial methods and assumptions - The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2021. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.37%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2020, valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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

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

	Target Allocation	Long Term Real Rate of Return
U.S. Equity	40.0%	4.40%
International Equity	23.0%	5.60%
Fixed Income	18.0%	-0.10%
Real Estate	6.0%	4.00%
Private Equity	5.0%	6.90%
Other Additional Categories	6.0%	2.10%
Cash (LIBOR)	2.0%	-0.30%
Total	100.0%	

Discount rate - The discount rate used to measure the total OPEB liability as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 75. The projection's basis was an actuarial valuation performed as of June 30, 2021. In addition to the actuarial methods and assumptions of the June 30, 2021, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the actuarially determined contribution (ADC) in accordance with the Life Insurance Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.

- As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- Active employees do not contribute to the plan.
- Cash flows occur midyear.

Based on these assumptions, the Life Insurance Trust's fiduciary net position was not projected to be depleted.

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

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
Commonwealth's proportionate share of the Net OPEB liability associated with the District	$ 47,000	$ 30,000	$ 17,000

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

County Employees Retirement System Insurance Fund

Plan description: The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. The CERS Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. The report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided – CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance coverage based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium.

Percentage of contribution ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive $10 toward the monthly premium for each full year of service.

Contributions: CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 2023, CERS allocated 3.39% of the 26.79% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan. During the year ending June 30, 2023, the District contributed $37,444 to the CERS Insurance Fund. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to CERS Insurance Fund

At June 30, 2023, the District reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on contributions to CERS during the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportion was 0.0412%.

For the year ended June 30, 2023, the District recognized OPEB expense of approximately $139,000, including an implicit subsidy of $26,305. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,856	$ 186,487
Changes of assumptions	128,614	105,977
Net difference between projected and actual earnings on investments	33,006	-
Changes in proportion and differences between District contributions and proportionate share of contributions	71,903	38,727
District contributions subsequent to the measurement date	37,444	-
	$ 352,823	$ 331,191

Of the total amount reported as deferred outflows of resources related to OPEB, $37,444 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are amortized over the average service life of all members. These will be recognized in OPEB expense as follows:

Year	
2024	$ 12,343
2025	10,019
2026	(44,584)
2027	6,410
2028	-
Thereafter	-
	$ (15,812)

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022

Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.20% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 9.00% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Post-retirement (disabled)	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.

Assumption Changes - The single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. In conjunction with the review of the healthcare per capita claims cost, the assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income		
Core Fixed Income	10.00%	0.28%
Specialty Credit	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected		
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
Total	100.00%	4.28%

Discount rate - The discount rate used to measure the total OPEB liability was 5.70%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2022. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.70%, 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 (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease (4.70%)	Current discount rate (5.70%)	1% Increase (6.70%)
District's proportionate share of the net OPEB liability	$ 1,087,127	$ 813,206	$ 586,765

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 604,601	$ 813,206	$ 1,063,702

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the OPEB plan: At June 30, 2023, there was a total payable to CERS of $20,374, which includes pension and OPEB contributions.

(7) CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The funds of the District must be deposited and invested under the terms of a contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At June 30, 2023, the carrying amount of the Board's cash and cash equivalents was $6,755,456, excluding trust funds, and the bank balances totaled $7,084,685. Of the total bank balances, $250,000 was insured by the Bank Insurance Fund and the remaining was secured by collateral held by the pledging banks in, the District's name. General Fund cash and cash equivalents at June 30, 2023 consisted of a money market checking account.

The cash deposits held at financial institutions can be categorized according to three levels of risk.

These three levels of risks are as follows:

Category 1	Deposits, which are insured or collateralized with securities, held by the District or by its agent in the District's name.
Category 2	Deposits, which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
Category 3	Deposits, which are not collateralized or insured.

Based on these three levels of risk, the District's cash deposits are classified as Category 2.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK Building) Fund, Special Revenue (Grant) Funds, Debt Service Fund, School Food Service Funds, and School Activity Funds.

Investments

During the year, the District invested excess cash into short-term United States Government obligations. In compliance with Kentucky Statutes, the District's investment policy 04.6 specifies that the District's investment objectives, in order of priority, are the following:

1. Legality
2. Safety of principal
3. Liquidity to enable the District to meet all operating requirements
4. Return on Investment

Credit Risk–Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the District has limited the number of permissible investments under its investment policy to certain highly rated investments. In accordance with this policy, the District is authorized to invest in the following:

a. Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
b. Certificates of deposit issued by banks or savings and loan institutions
c. Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities
d. Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America
e. Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

The complete investment policy 04.6 is available at http://policy.ksba.org/Chapter.aspx?distid=159. Investments consist of U.S. Government obligations and money market funds and are stated at fair value. As of June 30, 2023, the District had the following investments:

Investment	Fair Value	Maturity	Interest	Moody's Rating
U.S Treasury Notes	$ 12,760,345	December 7, 2023	5.33%	Aaa
Money Market Funds	$ 379,074	WAM – 19 days	4.66%	Aaa-mf

Fair Value Measurements - The District's investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1: Investments reflect prices quoted in active markets.

Level 2: Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3: Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Investments in U.S. Treasury notes and money market funds are valued based on quoted market prices (Level 1 inputs). The District does not have any investments that are measured using Level 2 or Level 3 inputs.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ 12,760,345	$ -	$ -	$ 12,760,345
Money Market Funds	379,074	-	-	379,074
Total	$ 13,139,419	$ -	$ -	$ 13,139,419

(8) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

Governmental Activities	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Land	$ 175,987	$ -	$ -	$ 175,987
Construction in progress	5,135,970	1,210,916	-	6,346,886
Land improvements	320,620	-	-	320,620
Buildings and improvements	8,895,875	-	-	8,895,875
Technology equipment	1,237,887	-	-	1,237,887
Vehicles	298,391	-	-	298,391
General equipment	258,385	-	-	258,385
Totals	16,323,115	1,210,916	-	17,534,031
Less: accumulated depreciation				
Land improvements	123,498	11,115	-	134,613
Buildings and improvements	6,538,933	255,915	-	6,794,848
Technology equipment	1,268,293	2,517	-	1,270,810
Vehicles	204,541	-	-	204,541
General equipment	220,238	8,946	-	229,184
Total accumulated depreciation	8,355,503	278,493	-	8,633,996
Governmental Activities Capital Assets - Net	$ 7,967,612	$ 932,423	$ -	$ 8,900,035

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Business-Type Activities				
Food service equipment	$ 322,805	$ -	$ -	$ 322,805
Food service technology	4,774	-	-	4,774
Totals	327,579	-	-	327,579
Less: accumulated depreciation				
Food service equipment	250,385	9,409	-	259,794
Food service technology	4,774	-	-	4,774
Total accumulated depreciation	255,159	9,409	-	264,568
Business-Type Activities Capital Assets - Net	$ 72,420	$ (9,409)	$ -	$ 63,011

Depreciation expense was allocated to governmental functions as follows:

Instruction	$ 182,678
District administration	4,298
School administration	38,173
Plant operation & maintenance	51,784
Community services	1,560
	$ 278,493

(9) CONTINGENCIES AND COMMITMENTS

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 based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

The District is subject to certain legal proceedings arising from normal business activities. Administrative officials believe that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the accompanying financial statements.

(10) RISK MANAGEMENT

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.

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 obtains general insurance and unemployment insurance in accordance with the Kentucky Department of Education requirements.

(11) 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). It is managements' opinion that the District is in compliance with the COBRA requirements.

(12) ON-BEHALF PAYMENTS

For the year ended June 30, 2023, total payments of $2,574,305 were made by the Commonwealth of Kentucky on behalf of the District for life insurance, health insurance, and KTRS matching and administrative fees, and vocational education. These payments were recognized as on-behalf payments and are recorded in the appropriate revenue and expense account on the Statement of Activities and the Government Funds Statement of Revenue, Expenditures and Changes in Fund Balance.

On-behalf payments at June 30, 2023 consisted of the following:

Teacher Retirement	$ 1,613,698
Teacher Retirement - Health & Life	34,811
Health Insurance	742,061
Life Insurance	1,166
Admin Fee	9,348
HRA/Dental/Vision	48,471
Federal Reimbursement	(60,171)
Technology	74,840
Debt Service	110,081
Total on-behalf	$ 2,574,305

With the exception of the amount for debt service, these amounts are included in the Government-wide statement of activities and the Governmental Fund statement of revenues, expenditures, and changes in fund balances as state revenues and expenses allocated to the different functions in the same proportion as full-time employees.

(13) INTERFUND TRANSACTIONS

Interfund Transfers

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Technology Match	$ 12,010
Operating	Building	Debt Service	Debt Service	405,725
Operating	Food Service	General	Indirect Cost Transfer	29,204
Operating	School Activity	District Activity	Operations	10,569

REQUIRED SUPPLEMENTARY INFORMATION

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)								
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
COUNTY EMPLOYEES RETIREMENT SYSTEM:									
District's proportion of the net pension liability	0.0411%	0.0403%	0.0387%	0.0322%	0.0378%	0.0383%	0.0395%	0.0367%	0.0356%
District's proportionate share of the net pension liability	$ 2,973,727	$ 2,569,441	$ 2,967,338	$ 2,266,399	$ 2,305,059	$ 2,239,475	$ 1,944,735	$ 1,576,495	$ 1,156,000
District's covered payroll	$ 1,452,017	$ 1,301,181	$ 1,235,415	$ 1,076,443	$ 1,242,555	$ 1,237,054	$ 1,305,845	$ 1,174,133	$ 1,139,622
District's proportionate share of the net pension liability as a percentage of its covered payroll	204.800%	197.470%	240.190%	210.545%	185.510%	181.033%	148.925%	134.269%	101.437%
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:									
District's proportion of the net pension liability	0.1044%	0.0994%	0.1009%	0.1094%	0.1152%	0.1205%	0.1185%	0.1132%	0.1181%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	17,686,017	12,936,092	14,299,424	14,920,545	15,085,899	32,522,032	34,953,498	26,350,126	24,267,058
Total	$ 17,686,017	$ 12,936,092	$ 14,299,424	$ 14,920,545	$ 15,085,899	$ 32,522,032	$ 34,953,498	$ 26,350,126	$ 24,267,058
District's covered payroll	$ 3,611,190	$ 3,528,568	$ 3,417,543	$ 3,621,709	$ 3,665,764	$ 3,705,343	$ 3,632,924	$ 3,548,887	$ 3,690,245
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
Contractually required contribution	$ 259,107	$ 307,392	$ 251,128	$ 238,435	$ 174,599	$ 179,922	$ 172,569	$ 162,186	$ 149,702	$ 156,584
Contributions in relation to the contractually required contribution	259,107	307,392	251,128	238,435	174,599	179,922	172,569	162,186	149,702	156,584
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,107,295	$ 1,452,017	$ 1,301,181	$ 1,235,415	$ 1,076,443	$ 1,242,555	$ 1,237,054	$ 1,305,845	$ 1,174,133	$ 1,139,622
District's contributions as a percentage of its covered payroll	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%	13.74%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,145,451	$ 3,611,190	$ 3,528,568	$ 3,417,543	$ 3,621,709	$ 3,665,764	$ 3,705,343	$ 3,632,924	$ 3,548,887	$ 3,690,245
District's contributions as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)					
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:						
District's proportion of the net OPEB liability	0.0412%	0.0403%	0.0387%	0.0322%	0.0378%	0.0383%
District's proportionate share of the net OPEB liability	$ 813,206	$ 771,351	$ 933,932	$ 541,859	$ 671,966	$ 769,157
District's covered payroll	$ 847,716	$ 991,008	$ 898,235	$ 838,194	$ 937,489	$ 1,014,165
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	95.929%	77.835%	103.974%	64.646%	71.677%	75.841%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:						
District's proportion of the net OPEB liability	0.0991%	0.0953%	0.0964%	0.1041%	0.1098%	0.1146%
District's proportionate share of the net OPEB liability	$ 1,851,000	$ 1,128,000	$ 1,351,000	$ 1,686,000	$ 2,047,000	$ 2,250,000
State's proportionate share of the net OPEB liability associated with the District	608,000	916,000	1,082,000	1,362,000	1,764,000	1,838,000
Total	$ 2,459,000	$ 2,044,000	$ 2,433,000	$ 3,048,000	$ 3,811,000	$ 4,088,000
District's covered payroll	$ 3,111,233	$ 3,151,833	$ 3,344,267	$ 3,503,200	$ 3,603,800	$ 3,650,000
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	59.494%	35.789%	40.397%	48.127%	56.801%	61.644%
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)					
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:						
District's proportion of the net OPEB liability	0.0973%	0.0932%	0.0943%	0.1018%	0.1073%	0.1120%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the District	30,000	12,000	33,000	32,000	30,000	25,000
Total	$ 30,000	$ 12,000	$ 33,000	$ 32,000	$ 30,000	$ 25,000
District's covered payroll	$ 3,111,233	$ 3,151,833	$ 3,344,267	$ 3,503,200	$ 3,603,800	$ 3,650,000
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:							
Contractually required contribution	$ 37,444	$ 48,998	$ 47,172	$ 42,756	$ 44,089	$ 44,062	$ 47,970
Contributions in relation to the contractually required contribution	37,444	48,998	47,172	42,756	44,089	44,062	47,970
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered payroll	$ 1,107,295	$ 847,716	$ 991,008	$ 898,235	$ 838,194	$ 937,489	$ 1,014,165
District's contributions as a percentage of its covered payroll	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%	4.73%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:							
Contractually required contribution	$ 110,153	$ 93,337	$ 94,555	$ 100,328	$ 105,096	$ 108,114	$ 109,500
Contributions in relation to the contractually required contribution	110,153	93,337	94,555	100,328	105,096	108,114	109,500
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered payroll	$ 3,671,345	$ 3,111,233	$ 3,151,833	$ 3,344,267	$ 3,503,200	$ 3,603,800	$ 3,650,000
District's contributions as a percentage of its covered payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:							
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered payroll	$ 3,671,345	$ 3,111,233	$ 3,151,833	$ 3,344,267	$ 3,503,200	$ 3,603,800	$ 3,650,000
District's contributions as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

(1) CHANGES OF ASSUMPTIONS

KTRS

In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables 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.

In the 2016 valuation, rates of withdrawal, retirement, disability, mortality and rates of salary increase were adjusted to more closely reflect actual experience. In the 2016 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables projected to 2025 with projection scale BB, set forward two year for males and one year for females rather than the RP-2000 Mortality Tables projected to 2020 with projection scale AA, which was used prior to 2016.

The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2018:

- Increased the Single Equivalent Interest Rate (SEIR) from 4.49% to 7.50%

In the 2020 valuation, rates of withdrawal, retirement, disability, mortality and salary increase were adjusted to more closely reflect actual experience. The expectation of mortality was changed to the Pub-2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 7.5% to 7.1% and the price inflation assumption was lowered from 3% to 2.5%.

CERS

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- 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).
- 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.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service.)
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on 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 post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	25.4 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increase	3.0% to 7.3%, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

CERS

The following actuarial methods and assumptions were used to determine contribution rates for the year ending June 30, 2022:

Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	30 years, closed
Payroll Growth	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

(3) CHANGES OF BENEFITS

KTRS

A new benefit tier was added for members joining KTRS on and after January 1, 2022.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2019 is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for qualified members who become "totally and permanently disabled" as a result of a duty-related disability. The minimum disability benefit increased from 25% of the member's monthly final rate of pay to 75% of the member's monthly average pay. The insurance premium for the member, the member's spouse, and the member's dependent children shall also be paid in full by the System. For non-hazardous members to be eligible for this benefit, they must be working in a position that could be certified as a hazardous position. There were no other material plan provision changes since the prior valuation.

(1) CHANGES OF ASSUMPTIONS

KTRS

Medical Insurance Plan & *Life Insurance Plan:* The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2020:

- In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub-2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and actives.
- The assumed long-term investment rate of return was changed from 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

For 2022, the health care trend rates were updated to reflect future anticipated experience.

CERS Insurance Fund

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service.)
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on 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 post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the June 30, 2020 measurement date, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.9% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

For the June 30, 2022 measurement date, the single discount rates used to calculate the total OPEB liability was changed to 5.70%.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

Medical Insurance Plan – The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts. For 2022, the KTRS Board of Trustees approved a single contribution amount of up to $696.84. KTRS will contribute this amount towards insurance costs, less the Shared Responsibility cost of $148.50.

Life Insurance Plan **-** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	25 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.2%
Discount rate	7.50%

CERS Insurance Fund

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2022:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 11.55%, varies by service
Investment Rate of Return	6.25%

Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.40% at January 1, 2022, gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement. Additionally, Humana provided “Not to Exceed” 2022 Medicare premiums, which were incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022.
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS non-hazardous and hazardous.

(3) CHANGES OF BENEFITS

KTRS

Medical Insurance Plan – A new benefit tier was added for members joining the System on and after January 1, 2022.

Life Insurance Plan - A new benefit tier was added for members joining the System on and after January 1, 2022.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2019, is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions.

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

SUPPLEMENTARY INFORMATION

BELLEVUE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Building Fund	Capital Outlay Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 354,855	$ 293,760	$ -	$ 7,085	$ 196,572	$ 852,272
Accounts receivable	-	-	-	-	-	-
Total assets	$ 354,855	$ 293,760	$ -	$ 7,085	$ 196,572	$ 852,272
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances:						
Restricted	354,855	293,760	-	7,085	196,572	852,272
Total fund balance	354,855	293,760	-	7,085	196,572	852,272
Total liabilities and fund balances	$ 354,855	$ 293,760	$ -	$ 7,085	$ 196,572	$ 852,272

BELLEVUE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Building Fund	Capital Outlay Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
REVENUES:						
From local sources -						
Property taxes	$ 502,066	$ -	$ -	$ -	$ -	$ 502,066
Other local revenues	-	-	-	2,375	265,094	267,469
Interest income	-	-	-	-	6,048	6,048
Intergovernmental - State	78,942	57,186	110,081	-	-	246,209
Total revenues	581,008	57,186	110,081	2,375	271,142	1,021,792
EXPENDITURES:						
Current -						
Instruction	-	-	-	9,888	289,726	299,614
Debt service	-	-	515,806	-	-	515,806
Total expenditures	-	-	515,806	9,888	289,726	815,420
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	581,008	57,186	(405,725)	(7,513)	(18,584)	206,372
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	405,725	10,569	-	416,294
Operating transfers out	(405,725)	-	-	-	(10,569)	(416,294)
Total other financing sources (uses)	(405,725)	-	405,725	10,569	(10,569)	-
NET CHANGE IN FUND BALANCES	175,283	57,186	-	3,056	(29,153)	206,372
FUND BALANCE JUNE 30, 2022	179,572	236,574	-	4,029	225,725	645,900
FUND BALANCE JUNE 30, 2023	$ 354,855	$ 293,760	$ -	$ 7,085	$ 196,572	$ 852,272

BELLEVUE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2019 Bond Fund	2021 Bond Fund	2021B Bond Fund	KISTA Bond Fund	Totals Debt Service Funds
ASSETS:					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Total assets	$ -	$ -	$ -	$ -	$ -
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Due to other funds	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
Fund Balances:					
Restricted for debt service	-	-	-	-	-
Total fund balance	-	-	-	-	-
Total liabilities and fund balances	$ -	$ -	$ -	$ -	$ -

BELLEVUE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	2019 Bond Fund	2021 Bond Fund	2021B Bond Fund	KISTA Bond Fund	Totals Debt Service Funds
REVENUES:					
Intergovernmental - State	$ 39,489	$ 59,423	$ 11,169	$ -	$ 110,081
Interest income	-	-	-	-	-
Total revenues	39,489	59,423	11,169	-	110,081
EXPENDITURES:					
Debt service	42,156	116,900	356,750	-	515,806
Total expenditures	42,156	116,900	356,750	-	515,806
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,667)	(57,477)	(345,581)	-	(405,725)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	2,667	57,477	345,581	-	405,725
Total other financing sources (uses)	2,667	57,477	345,581	-	405,725
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCE JUNE 30, 2022	-	-	-	-	-
FUND BALANCE JUNE 30, 2023	$ -	$ -	$ -	$ -	$ -

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balance June 30, 2022	Receipts	Disbursements	Cash Balance June 30, 2023	Accounts Receivable	Accounts Payable	Restricted Fund Balance June 30, 2023
Bellevue Independent High School	$ 206,956	$ 246,355	$ (275,055)	$ 178,256	$ -	$ -	$ 178,256
Grandview Elementary	18,769	24,787	(25,240)	18,316	-	-	18,316
	$ 225,725	$ 271,142	$ (300,295)	$ 196,572	$ -	$ -	$ 196,572

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
BELLEVUE INDEPENDENT HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balance June 30, 2022	Receipts	Disburse-ments	Transfers	Cash Balance June 30, 2023	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2023
Basketball - Girls	$ 2,236	$ 4,025	$ (19,305)	$ 13,044	$ -	$ -	$ -
Track Team	527	10,536	(9,613)	-	1,450	-	1,450
Football	14,106	16,404	(28,189)	1,065	3,386	-	3,386
Basketball - Boys	7,415	9,945	(13,070)	5,278	9,568	-	9,568
Soccer Team	283	832	(240)	(610)	265	-	265
Cross Country	777	2,215	(2,220)	-	772	-	772
Volleyball Team	1,659	3,770	(2,648)	-	2,781	-	2,781
Baseball	4,421	9,506	(13,291)	(274)	362	-	362
Softball Team	295	2,090	(1,810)	-	575	-	575
Golf Team	306	3,750	(3,239)	50	867	-	867
Tennis Team	626	-	(75)	(102)	449	-	449
Athletic Acct.	2,156	52,493	(44,207)	(6,874)	3,568	-	3,568
Cheerleading Account	243	7,090	(5,947)	-	1,386	-	1,386
Middle School Cheer	290	319	(243)	(181)	185	-	185
Middle School Football	-	5,176	(4,499)	-	677	-	677
General Basketball Fund	14,930	27,877	(16,346)	(19,811)	6,650	-	6,650
Little Hoopsters Program	3,593	4,253	(1,249)	(5,749)	848	-	848
District Tournament Account	300	-	-	-	300	-	300
Stephanie Wilson Bb Mem	1,082	4,705	(4,168)	456	2,075	-	2,075
Startup Money	(1,000)	3,200	(2,200)	-	-	-	-
Bhs Band	442	656	(792)	-	306	-	306
Act / Testing Prep	4,043	-	(347)	-	3,696	-	3,696
National Honor Society	400	376	(453)	-	323	-	323
Student Council	-	724	(155)	(61)	508	-	508
General Science	-	-	-	-	-	-	-
Art	106	-	-	-	106	-	106
Donations / Charity Acct	626	-	-	-	626	-	626
Bhs Alumni Memorial Fund	3,085	-	-	-	3,085	-	3,085
General Student & Supplies	27,380	20,409	(12,931)	(7,705)	27,153	-	27,153
School Fees	-	270	-	-	270	-	270
Office / Staff Account	387	296	(100)	(447)	136	-	136
Drama Club	3,474	5,308	(4,522)	(92)	4,168	-	4,168
MS Academic Team	18	524	(144)	-	398	-	398
Yearbook	1,725	509	-	-	2,234	-	2,234
STLP	50	-	-	-	50	-	50
FBLa	123	-	-	-	123	-	123
FCA	1,102	-	(368)	-	734	-	734
Maker Space	-	-	-	-	-	-	-
Bellevue FFA	61	-	-	(61)	-	-	-
Library	168	-	-	-	168	-	168
Service Learning	90	-	-	-	90	-	90
Special Ed	884	47	(21)	(59)	851	-	851
Student Incentives	429	929	(566)	-	792	-	792
Sweep To Board	-	-	(58,458)	58,458	-	-	-
Technology	5,360	3,055	-	(8,140)	275	-	275
William Lubbers Estate	11,080	2,370	-	-	13,450	-	13,450
Investment Cd - Bumper Me	10,018	-	-	-	10,018	-	10,018
Investment Cd - Swope	7,048	-	-	-	7,048	-	7,048
Swope Family Memorial	1,958	676	-	(1,000)	1,634	-	1,634
Skvope Memorial Scholarshi	-	-	(1,000)	1,000	-	-	-
Ben & Irene Flora Scholar	1,474	-	(500)	-	974	-	974
Cc Retired Teachers Schol	1,500	500	(500)	-	1,500	-	1,500
Bumper Mendell Scholarship	6,665	117	(1,000)	-	5,782	-	5,782
Lambert Stem Scholarship	1,200	1,050	(250)	-	2,000	-	2,000

BELLEVUE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
BELLEVUE INDEPENDENT HIGH SCHOOL (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balance June 30, 2022	Receipts	Disburse-ments	Transfers	Cash Balance June 30, 2023	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2023
June M Jana Memorial Acct	$ 9,100	$ -	$ -	$ -	$ 9,100	$ -	$ 9,100
Bhs Athletic Boosters Sch	1,000	-	(1,000)	-	-	-	-
Kersten O'day VFW 2899	500	-	(500)	-	-	-	-
Party Source Scholarship	4,750	3,000	(1,500)	-	6,250	-	6,250
Dennis And Beth West Scho	500	-	(500)	-	-	-	-
Stephanie Wilson Scholars	8,237	-	(500)	-	7,737	-	7,737
Pall Weber Memorial Schol	300	-	(300)	-	-	-	-
Lead By Example Scholars	500	-	(500)	-	-	-	-
Charles Grant Scholarship	1,000	-	-	-	1,000	-	1,000
Bhms Food Pantry	4,237	5,840	(49)	(10,028)	-	-	-
J Steely	5,149	-	(1,371)	(1,712)	2,066	-	2,066
J Steely - Scholarship	-	-	(1,000)	1,000	-	-	-
Pep St1dham Mem Sch	1,095	-	-	-	1,095	-	1,095
Parr Family Memorial Scho	205	-	-	-	205	-	205
Jeffrey James Scholarship	3,998	-	(1,000)	-	2,998	-	2,998
William & Janet Dosch Sch	3,630	-	(500)	-	3,130	-	3,130
Dick Jones Memorial Sch	1,280	-	(500)	-	780	-	780
Bellevue Lions Club	1,000	-	-	-	1,000	-	1,000
Mary Ecian Memorial	816	-	-	-	816	-	816
Burke Dailey Memorial	500	-	(500)	-	-	-	-
Bobby Ci & Me Scholarship	1,500	-	(1,000)	-	500	-	500
John Thorwarth Club 65 Sc	20	-	-	-	20	-	20
Impeccable Student Schola	-	-	-	-	-	-	-
Clara Kerlin Campbell Set	3,000	1,000	-	-	4,000	-	4,000
Bluegrass Aerie No. 964	4,000	-	(1,000)	-	3,000	-	3,000
Schreiber Memorial Fund	2,661	1,470	-	(2,661)	1,470	-	1,470
The Godfather Scholarship	-	3,000	-	-	3,000	-	3,000
Lil Hoopsters Scholars	-	143	-	-	143	-	143
Senior Class Trip	-	14,805	(842)	(13,963)	-	-	-
Prom	1,080	6,220	(5,166)	(470)	1,664	-	1,664
Middle School Dance	510	580	(433)	-	657	-	657
Gym Concession Stand	329	-	-	-	329	-	329
Class Of 2023	643	3,855	(2,228)	89	2,359	-	2,359
Class Of 2024	25	-	-	-	25	-	25
Class Of 2025	250	-	-	-	250	-	250
Class Of 2026	-	-	-	-	-	-	-
Class Of 2027	-	440	-	(440)	-	-	-
Total	$ 206,956	$ 246,355	$ (275,055)	$ -	$ 178,256	$ -	$ 178,256

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures	
U.S. Department of Education					
Passed through Kentucky Department of Juvenile Justice					
Passed through Kentucky Department of Education:					
School Improvement Grants	84.377A	320JC	$ -	$ 10,812	
Title I Grants to Local Educational Agencies	84.010	3100002-21	-	49,195	
Title I Grants to Local Educational Agencies	84.010	3100002-22	-	144,671	
				193,866	
Special Education Cluster (IDEA):					
Special Education Grants to States - IDEA, Part B	84.027	3810002.21	-	16,073	
Special Education Grants to States - IDEA, Part B	84.027	3810002.22	-	193,014	
COVID-19 Special Education Grants to States - IDEA, Part B	84.027	4910002.21	-	9,059	
Special Education Preschool Grants	84.173	3800002-22	-	27,245	
COVID-19 Special Education Grants to States - IDEA, Part B, Preschool	84.173	4900002-22	-	1,652	
Total Special Education Cluster (IDEA):				247,043	
Improving Teacher Quality State Grants	84.367	3230002-21	-	19,410	
Improving Teacher Quality State Grants	84.367	3230002-22	-	3,004	
				22,414	
Comprehensive Literacy Development	84.371	466IA	-	97,221	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	4200003-21	-	41,237	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	4200002-21	-	330,363	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-21	-	192,966	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300007-21	-	21,420	
				585,986	*
Total U.S. Department of Education				1,157,342	
U.S. Department of Health and Human Services					
Passed through State Department for Community Based Services:					
Substance Abuse and Mental Health Services Projects	93.243	SPFX	-	54,877	
CARES - Child Care Development Fund	93.575	562JP	-	61,134	
Total U.S. Department of Health and Human Services				116,011	
U.S. Department of Agriculture					
Passed through Kentucky Department of Education:					
Cash Assistance:					
State Administrative Expenses for Child Nutrition	10.560	7700001.22	-	702	
COVID-19 State P-EBT Administrative Costs Grants	10.649	9990000.22	-	627	

BELLEVUE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
Child Nutrition Cluster:				
Fresh Fruit and Vegetable Program	10.582	7720012.22	-	2,604
Fresh Fruit and Vegetable Program	10.582	7720012.23	-	14,758
Summer Food Service Program for Children	10.559	7690024-22	-	2,708
Summer Food Service Program for Children	10.559	7740023.22	-	26,348
National School Lunch Program	10.555	9980000-22	-	19,014
National School Lunch Program	10.555	9980000-23	-	11,098
National School Lunch Program	10.555	7750002-22	-	39,794
National School Lunch Program	10.555	7750002-23	-	359,291
School Breakfast Program	10.553	7760005-22	-	45,970
School Breakfast Program	10.553	7760005-23	-	150,330
				671,915
Non-Cash Assistance:				
Food Donation	10.555	7750002-22	-	32,882
Total Child Nutrition Cluster:				704,797
Total U.S. Department of Agriculture				706,126
Total Expenditures of Federal Awards				$ 1,979,479

* Denotes major program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Bellevue Independent School District under the programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Bellevue Independent 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 B - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* , wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, commodities on hand are included in the total inventory of $5,243.

NOTE D - INDIRECT COST RATE

The Bellevue Independent School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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INDEPENDENT AUDITOR'S 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*

Kentucky State Committee for
School District Audits
Members of the Board of Education
Bellevue Independent School District
Bellevue, 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 and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities* and *State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bellevue Independent School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 14, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.*

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.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 14, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bellevue Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

Responsibilities of Management for Compliance

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
November 14, 2023

BELLEVUE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

(A) SUMMARY OF AUDIT RESULTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:			Unmodified	
Internal Control over financial reporting:				
Material weakness(es) identified?	______	yes	x	no
Significant deficiency(ies) identified?	______	yes	x	none reported
Noncompliance material to the financial statements noted?	______	yes	x	no
Federal Awards				
Internal control over major federal programs:				
Material weakness(es) identified?	______	yes	x	no
Significant deficiency(ies) identified?	______	yes	x	none reported
Type of audit auditor's report issued on compliance for major federal programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______	yes	x	no
Identification of major federal programs:				
COVID-19 - Elementary and Secondary School Emergency Relief Fund (84.425D, 84.425U)				
Dollar threshold to distinguish between Type A and Type B Programs:			$750,000	
The District qualified as a low risk auditee	x	yes	______	no

(B) FINDINGS RELATED TO FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

None noted in the current year.

(C) FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted in current year.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

There were no findings in the prior year.